That Mythical $450,000,000 of New Money (Page 13)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

CANADIAN MINING NEWS DEPARTMENT ON PAGE 20

The Canadian Newspaper for Business Men and Investors

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 27, 1934 | 10c a Copy; $5.00 a Year | No. 4

The Nation's Business

Reckless Use Of Large Figures On Note Issue

Change in Gold No Key to Wealth

The Premiers' Parley Most Successful Meeting Yet

Why Canada Can't Copy Roosevelt Spending Plans

Cannot Pluck Money Out of Thin Air

WE FEEL quite certain that Prime Minister Bennett has been misinterpreted by those who are forecasting issuance of anything up to $450,000,000 of new currency on the basis of the probable revaluation of gold and the reduction of the gold coverage behind Dominion notes.

Mr. Bennett, in his November radio speech, referred to the World Economic Conference resolution affirming that a gold cover of 25 per cent against notes outstanding was sufficient. The present standard is 40 per cent although such a standard is largely theoretical in a country that, like Canada, is not on the gold standard. Mr. Bennett did not say, and would have been very unwise if he had said, that it was the immediate intention of the government to issue enough notes to reduce the gold cover to 25 per cent.

* * *

LAST week, when President Roosevelt asked for authority at some unstated date to revalue the gold holdings of the United States to a figure nearer the present market value, the monetary mathematicians began to figure out how much currency could be issued in Canada if we were first of all to write up the value of the government's gold holdings from roughly $20 an ounce to roughly $35 an ounce and then back the currency by 25 per cent of gold at the new value. The figure came out to around $450,000,000, an increase in currency of $270,000,000.

* * *

THE percentage of gold cover is only one of many factors that must be considered in determining the amount of currency that Canada should attempt to put into circulation. As a matter of fact it is one of the least important considerations. To attempt to make it the primary consideration is to show a complete lack of understanding of both monetary theory and practice. Some of the other considerations are set forth in an article in this issue (page 13).

The printing of currency does not of itself provide a use for the additional currency.

This optimistic use of pencil and paper to figure out a solution of business and budgetary problems is simply the old inflation agitation, (of which intelligent people are already sick and tired), presented in a new disguise.

* * *

A Notable Conference

THE achievements of the Dominion-provincial Premiers' conference at Ottawa last week were notable both on the positive and the negative side. The conference served to clarify governmental policy on numerous matters where there has been confusion in public thought and uncertainty in business plans.

The threat of default on the part of any of the provinces has been removed. Investors are now to regard Dominion and provincial credit as one and inseparable. The Dominion will stand back of any province in trouble. Satisfactory as this decision may be from the standpoint of holders of provincial governmental bonds it is not without potential dangers. It tends to relieve provincial governments from certain of the more distressing consequences not only of the crisis but of their own past mistakes. Mr. Bennett has taken a large task upon himself. If he is to protect the creditors of the provinces he must also protect the taxpayers. If he is to see that the Dominion treasury provides whatever money is needed to pay obligations he must assume some responsibility for the manner in which those obligations are incurred.

* * *

THE conference learned that a programme of public works will be undertaken by the government this year. Later Mr. Bennett, in a communication to the Canadian Construction Association, spoke of the programme as "moderate."

Presumably it will not exceed the schedule presented to the cabinet by the construction industries and their programme, it is understood, called for expenditures of around $50,000,000, which would include provincial and municipal

(Continued on page 2, col. 3)

SHAWINIGAN WILL PRODUCE GOOD REPORT

Power Output Registered Big Increase in 1933

MORE FOR COMMON

Burden of U. S. Premium Lightened — Large Write-offs — General Progress Experienced

From Our Own Correspondent

MONTREAL — Shawinigan Water and Power Co.'s financial statement for 1933 is expected to show earnings sufficient to cover funded debt charges, a much larger provision for depreciation, and contingencies, dividends on the common stock and a surplus of about $500,000 to be carried forward to the profit and loss account.

Operations during the last half of 1933 are understood to have resulted in a material improvement in the company's earnings. The newsprint industry recorded a marked pick-up in business. This was reflected in a sharp increase in demand for power from those mills in the Shawinigan area. At the time the asbestos and other industries experienced better times with the result that the total output for last year is expected to be within striking distance of 4,000,000,000 kw.h. This is one of the largest outputs ever reported by the company and compares with less than 3,275,000,000 kw.h. in the preceding year.

Gross Revenue Maintained

With the increase in output, sales revenue from power sources is understood to have registered an improvement. On the other hand the company's income from its stock holdings in Quebec Power Co. and other investments should be less. This would have the tendency to keep down gross income, but the losses anticipated in other income would be offset by larger earnings of Shawinigan Chemical Co. This subsidiary experienced a broad increase in demand for its products last year and was able to show an appreciable improvement in finances.

Premium Burden Less

While gross income of Shawinigan Water and Power during the past year may not be as high as it was in 1932, the shareholders' equity should be greater owing to the lower premium paid by the company in the purchase of U. S. funds to meet bond interest payments.

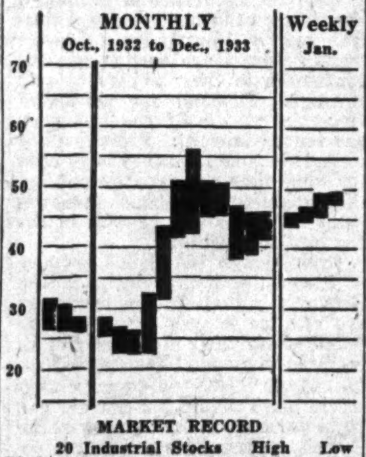
With a funded debt in the neighborhood of $90,000,000 and annual interest charges in excess of $4,000,000, payment of interest in American funds during the time when the Canadian dollar was at a heavy discount, caused an additional burden on the company's finances. In 1932 it is said that the premium paid on U. S. funds was equivalent to nearly 40 cents a share on the common stock.

While the Canadian dollar did not reach parity or better until

(Continued on page 2, col. ?)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Jan. 23	49.2	47.4
Week of Jan. 16	49.1	45.5
Month of Jan., 1933	28.4	25.1
10 Public Utilities		
Week of Jan. 23	50	49
Week of Jan. 16	51	48
Month of Jan., 1933	47	42
8 Bank Stocks		
Week of Jan. 23	175	173
Week of Jan. 16	178	173
Month of Jan., 1933	168	160

Soviet Quota Cut 200 Million Ft. b. m.

Announcement of the British Government that imports of Soviet softwoods in 1934 must not exceed 350,000 standards, or approximately 700,000,000 board feet is being hailed as a further opening for the increasing Canadian lumber trade with Britain. This is a cut of 200,000,000 board feet from the 1933 quota. As the average annual imports of lumber from Soviet Russia have amounted to approximately 800,000,000 board feet, it would appear that the available Canadian market has been increased by 100,000,000 board feet.

Exports of Canadian lumber to Great Britain in 1933 amounted to approximately 420,000,000 board feet so that possibilities of a 25 per cent increase are indicated in 1934.

PAPER MAKERS REACH ACCORD ON U. S. SALES

Higher Values for Paper Securities Reflect Action

ACT IN UNISON

Contracts Up to October 1933 Will Stand — Make Provisions for Price Adjustments

From Our Own Correspondent

MONTREAL. — Renewed interest in pulp and paper securities, followed by a substantial advance in values, is coincident with the entry by the Canadian and American manufacturers into an agreement to maintain the price of newsprint for United States delivery at a minimum of $41 a ton, with zone differentials, during 1934. This proposal has been submitted to the N.R.A. administration and a public hearing will be held on February 1.

The new agreement provides, among other things, for the setting up of a joint committee, composed of four members of the American and four members of the Canadian associations. This committee will have the power to call meetings and confer with "respect to the stabilization of the industry and the elimination of unfair practices and destructive competitive prices

(Continued on page 2, col. 5)

Week's Figures Show Big Gains Over Last Year

Although the seasonal trend accounted for some losses in December business indicators as compared with the previous month, the large increases over December a year ago in almost every case are significant of the general improvement in business. Automobile production and iron and steel output provided the features, showing large gains over both November and December a year ago.

Carloadings jumped 20 per cent from the previous week and the total for the first two weeks of the year is now 27 per cent higher than for the same period a year ago. Feature of the carloadings report for the week ended January 13 is the improvement in l.c.l merchandise and miscellaneous loadings.

Monthly		Dec. '33	Change From Prev. period %	From Prev. year %
Conc. milk	lbs	5,349,924	—10.8	+ 1.6
Iron output	l. tons	38,612	+31.0	+43.0
Steel output	l. tons	49,557	+15.0	+83.5
Auto. output	No	3,262	+41.8	+55.2
Cigs. consumed	No.	355,920,395	— 5.0	+16.8
Elec. output	kw h.	1,707,885,000	+ 0.3	+19.2
Bldg permits	$	1,975,855	+22.7	+25.7
Weekly *				
Carloadings	No.	41,389	+20.4	+27.0
Cattle sales	No.	11,575	—19.1	— 3.6
Hog sales	No.	21,289	—26.8	—13.8

* Weeks ended Jan. 13, 18 and 18 respectively.

PAGE-HERSEY MAY BE CENTRE OF TUBE PROBE

Tariff Board Enquiring if Canadian-British Sales Understanding Exists

WILL NOT COMPETE

So Say British Manufacturers in Letter to A. R. Goldie—Acetate Yarn Reduction Asked

From Our Own Correspondent

OTTAWA.—Despite denials issued by officials of Page-Hersey Tubes Ltd., the Tariff Board will make vigorous enquiries to discover if there exists any agreement between Canadian and British tube manufacturers restricting competition in the Canadian market.

This information was obtained, unofficially, from the Tariff Board this week. It may be relied upon as accurate.

Goldie Letter Responsible

When A. R. Goldie, representing Canadian boiler manufacturers, read an innocuous looking letter into the Tariff Board record last week he started an investigation which may have an important bearing upon Canadian tariff policy with regard to tubes.

Mr. Goldie was explaining that it was doubtful if British manufacturers would quote prices to Canadian purchasers. When questioned he read the following letter from a British manufacturer:

"As already explained to you, we are unable to quote on boiler tubes for sizes between 2½ and 4 inches. We note that you state that conditions in connection with this material may prevent you using Page-Hersey tubes, and the only suggestion we can make is that you advise us fully of those conditions. We would then refer these conditions to Messrs. Page-Hersey and upon their consent we would be able to supply you British tubes."

Does Agreement Exist?

The existence of an agreement was disputed at the time and was later denied by Hon. Harry C. Scholfield, vice-president of Page-Hersey Tubes, Ltd.

It is learned officially, however, that the Tariff Board is far from being convinced. In fact, the board is of the view that an agreement does exist whereby British manufacturers do not compete with Page-Hersey. It is alleged that such an agreement was entered into shortly after the ratification of the Anglo-Canadian treaty. It is the present intention of the board to obtain copies of the agreement and to make them public. Of the general principle at stake—using the Anglo-Canadian treaty as a means of dividing markets—Chairman George Sedgewick was highly critical.

Asks Acetate Yarn Reduction

Another important development at the Tariff Board this week was the adjournment for one week of Percy Sparks' application for a downward revision of all three tariffs on acetate yarns. Mr. Sparks asked for the enlargement in order that representations from British manufacturers might be presented to the board.

Mr. Sparks alleges that the manufacture of these yarns in Canada is a complete monopoly.

"Not only the sale of yarn," his application declares, "but the sale of fabrics made from acetate yarns is a monopoly. We would point out that acetate yarn is a staple commodity, sold on a competitive basis in every country in the world except Canada."

The company which makes these yarns is Celanese Ltd., of Quebec.

Mr. Sparks asked for a downward revision of all three tariffs in the belief that British manufacturers were not interested in the Canadian market. British yarns have never been offered in this country and the producers have no sales force here or distributing organization.

When word of the application reached Britain, however, some of the British mills became interested and it would now appear that they are eager to enter this market if permitted by the tariff to do so. The amount of tariff reduction they would require is now a matter of negotiation and will be decided before next Monday.

It is probable, therefore, that when the case is resumed Mr. Sparks will amend his application by requesting a reduction only in the preferential tariff. The amount of the reduction will conform with the views of the British mills. The prevailing tariff rates were given in The Post of December 23.

Throwsters Want Higher Duty

The artificial silk throwsters and thread manufacturers brought an application to the Tariff Board last Monday for an increase in duty. They desire protection on the "throwing" industry. They had protection prior to 1930 but in the tariff revision of that year all yarns were bulked together. The tariff is as follows: Preferential 25 per cent; Intermediate 30 per cent; General 35 per cent; provided that in no case shall the duty be less than 28 cents per pound.

Ordinary yarns are the throwsters' raw material; thrown yarns are their finished product. There being no spread between the two under the present tariff this industry has virtually, no protection from foreign throwsters.

The application would leave the preferential tariff unchanged but would alter the intermediate and general tariffs on thrown yarns to 30 and 35 per cent respectively, plus 28 cents per lb.

Rail Economy Measures Will Save Many Millions

From Our Own Correspondent

MONTREAL — Detailed plans are expected to be announced shortly by the Canadian National and Canadian Pacific railways which will result in further economies to the extent of better than $3,000,000. No particulars are available at this time, but it is understood that co-operative plans will lie largely in the passenger service field.

For some time prior to the appointment of the Duff Commission on transportation, officials of the two rail systems had been closely examining operations with a view to effecting savings. As a result of these conferences many economies have been put into effect without impairing the quality of service. Passenger train services have been sharply reduced in practically all sections of the country. Joint terminal arrangements have been entered into; even certain types of advertising have been on a co-operative basis.

Other and larger plans of economy have been under consideration for several months past, but announcement of their having been put into effect has been delayed until the appointment of the Canadian National board of trustees. The board is now in office and it is anticipated that economy measures between the C.N.R. and the C.P.R. will be speeded up.

—Drawn for The Financial Post by R. Kaell.

BUT WHICH STRAW WAS THE STRAW TOO MUCH?

CHEVROLET BEST SELLER IN PAST YEAR

Dodge Shows Largest Gain Over 1932

DECEMBER GOOD

For the sixth consecutive month automobile sales in Eastern Canada in December, 1933, were higher than in the corresponding month of the previous year. Although the early introduction of the 1934 Fords and Studebakers had some bearing on the increase in December over a year ago, it is significant that the sales of the 1933 Chevrolet were 127 as compared with 65 in December, 1932. December was the third consecutive month in which Ford achieved the highest total sales for an individual car.

No changes in ranking of the leading makes for the year took place as a result of December sales which amounted to the smallest monthly total for the year. Chevrolet leads all other makes in Eastern Canada according to an analysis made by The Financial Post of figures compiled by Might's Directories and published in Canadian Automotive Trade. Ford is in second place and is the only make within striking distance of the leader.

Dodge's Big Gain

Among the ten leaders, the only change in the 1932 standing is the jump of Dodge from eighth to third place. A number of makes have better records than in 1932. Led by Dodge with sales of 3,366 as against 935 in 1932, the following cars improved their sales totals over 1932: Chevrolet, Plymouth, Pontiac, Oldsmobile, Packard, Reo and Frontenac. Cars among the leaders which will not be sold in 1934 are: Frontenac, Willys and Rochne.

Twenty leading makes in Eastern Canada, ranked by total sales in 1933, and sales by provinces are shown in the following table:

Sales of Leading Makes in Eastern Canada

	December 1933	December 1932	12 Months 1933	12 Months 1932
Chevrolet	127	65	9,321	8,956
Ford	222	122	6,874	8,752
Dodge	43	44	3,366	935
Plymouth	44	81	*3,021	2,623
Pontiac	46	33	2,290	1,958
Buick	40	33	1,593	1,958
Essex (Terraplane)	22	22	1,025	1,122
Chrysler	4	7	972	1,040
Oldsmobile	11	8	720	704
Frontenac	17	49	689	687
Studebaker	33	8	400	768
Willys	1	21	391	836
De Soto	..	9	381	932
Rockne	..	3	334	614
Graham	2	3	259	434
Hupmobile	3	1	126	237
Packard	5	2	111	87
Hudson	2	4	106	269
Reo	2	1	84	67
Cadillac	1	3	74	102
Total (all makes)	650	534	32,554	34,793
Sales by Provinces				
Ontario	547	437	23,057	22,775
Quebec	86	64	6,815	7,694
New Brunswick	9	23	802	1,693
Nova Scotia	8	10	1,717	2,434
Prince Ed. Island	..	..	163	197
	650	534	32,554	34,793

Manufacturers' Sales

Exactly 88 per cent of the total sales in Eastern Canada in 1933 were taken by the three leading manufacturers, General Motors, Chrysler Corp. and Ford of Canada. This percentage compares with only 78.6 per cent in 1932. Hudson Essex accounted for 3.5 per cent of the sales and Studebaker Corp. for 2.3 per cent and the balance of 6.2 per cent was divided between imported cars and Dominion Motors, which closed down toward the end of the year.

Leading Manufacturers (Total Sales for Year)

	1933 No.	1933 % of total	1932 No.	1932 % of total
General Motors	14,028	43.1	13,709	39.4
Chrysler Corp.	7,740	23.8	4,865	14.0
Ford of Can.	6,882	21.1	8,762	25.2
Hudson-Essex	1,131	3.5	1,391	4.0
Studebaker Corp.	755	2.3	1,405	4.0
All others	2,018	6.2	4,661	13.4
	32,554	100.0	34,793	100.0

MOORE CHAIRMAN, McLEOD PRESIDENT BANK NOVA SCOTIA

Important Changes Are Announced in Halifax

J. A. McLeod, for the past ten years general manager of the Bank of Nova Scotia, was elected president of the bank, following the annual general meeting at Halifax, Jan. 24. S. J. Moore, who has been president, becomes chairman of the board.

H. F. Patterson, formerly assistant general manager, has been made general manager, the seventh incumbent of this office in the bank's 101 years.

H. D. Burns is now senior assistant general manager.

E. Crockett, formerly chief superintendent, was appointed assistant general manager.

Grant Macintyre was appointed chief superintendent of branches.

Claude Neon 1933 Business Reported Fair

From Our Own Correspondent

MONTREAL—Claude Neon General Advertising business last year is reported to have been somewhat varied, with no marked change in earnings power as compared with the previous year.

Western Canadian business last year is understood to have been on a better basis, though the improvement was not substantial. Much the same applies to Ontario, while Quebec lagged behind the general trend. Income last year was helped by the receipt of an extra dividend paid by the Vancouver Neon Company, in which Claude Neon holds a minority interest.

In 1932 the company reported a gross income of $265,261. After depreciation and bond interest and other ranking charges, there was a deficit of $66,773. In order to conserve working capital the directors deferred dividend action on Claude Neon preferred at the beginning of 1932, so that there are cumulated dividend arrears of 14 per cent on this stock.

It is expected that the company's report for 1933 will contain a reference to changes in the directorate and management. During the past year S. Godin, Jr., resigned as president. J. C. Asch, formerly vice-president, was elected president to complete the balance of the term.

Loans to West May Soon Pass $50,000,000

From Our Own Correspondent

OTTAWA.—Federal loans to the western provinces are rapidly nearing a total of forty-four million dollars.

The total previously announced was $43,158,769. But on January 4, an order-in-council was approved giving a loan of $500,000 to British Columbia for the purpose of meeting provincial interest obligations. Other loans to western provinces are understood to be pending with the chances that fifty millions will be passed by the close of the fiscal year. This total does not include $10,000,000 spent on drought relief in Saskatchewan, nor the guarantee given to the banks on account of the Provincial Savings office of Manitoba, which exceeded $12,000,000.

The last four loans have been as follows:

Nov. 24—Saskatchewan	$ 500,000
Dec. 1—Alberta	1,000,000
Dec. 14—British Columbia	435,000
Jan. 4—British Columbia	500,000

Highlights of the week

Price Bros.

What offers of British, Canadian and American groups mean for investors. How the deal for control of one of Canada's biggest forest industries may be made. Page 17.

Ottawa's Work

Financial problems that will dominate the coming session of Parliament. Page 1. How the Canadian premiers cemented national solidarity at Ottawa. Page 11.

Mythical Money

Why revaluation of gold would not automatically allow boosting Dominion note issues to $450,000,000. Henry Somerville analyses bootstrap finance. Page 13.

Pan-America

How a new deal for both Americas may develop from the recent Pan-American conference at Montevideo. Why the parley was different. Page 6.

U. S. Money

Mr. Roosevelt's latest policy may lead back to gold. Why it may mean stabilization without currency war. Page 11.

Foreign Bonds

Ten reasons for defaults. Where the record has been black, where bright. The first of a series analyzing foreign bonds for Canadian investors. Page 3.

Watered Stock

One evil of corporation finance is stock watering, says F. W. Wegenast. How and why he would stop it. Page 9.

B. C. Gold

Record-breaking activity has broken out on Vancouver Island. The story of Canada's earliest gold mines. Page 20. How David Sloan developed B. C. Pioneer into the province's biggest gold mine. Page 20.

Investor's Index

Port Royal Pulp's bond issue	8
N. B. Tele. considers debentures	4
Lake Shore has high recovery value	20
Barry Hollinger resumes milling	20
Dominion Bank earns $16.27 a share	14
Bank of N. S. deposits higher	14
Canadian Rail Trust pass bond int.	5

INDUSTRIALS, UTILITIES, ETC.

Agnew-Surpass	2	Jam. Public Ser.	10
Burns & Co.	9	Jamaica P. Ser.	10
B. C. Electric	4	Lambton Loan	4
Belding-Cort.	16	Loblaw	2
B. C. Nickel	2	Lambton Trust	8
Bank of N. S.	1	Mutual Life	15
Continental Life	19	Montreal Is. Pwr.	9
Connors	5	Manufac. Life	16
Chas. Gurd	5	Manitoba Pwr.	10
Can. Fin. Found.	9	Mt. Royal Hotel	4
Can. Vickers	9	No. Ont. Power	9
Canada Life	15	Northern Life	16
Can. Permanent	2	N. S. Cold Stge.	10
C. N. R.	1	National Life	15
Can. Nor. Pwr.	12	No. Amer. Life	15
Crown Trust	12	N. B. Telephone	4
Can. Ind. Alc.	12	Page-Hersey	1
C. P. R.	1	Port Royal Pulp	8
Claude Neon	1	Paymaster	12
Crown Life	16	St. Paul Fire	15
Canada Cement	3	Ser. Stns. Equip.	5
Can. Rail Trust	5	Simpsons	12
Cons. Industries	1	Security Loan	10
De Havilland	4	Silverwood's	5
E. Kootenay Pr.	10	Security Loan	10
Gypsum, Lime	3	Toronto Mtge.	13
Harding Carpets	5	United Corp.	9
Humberstone Shoe	5	Windsor Hotel	8

MINES AND OILS

Amity Copper	19	Lake Maron	19
Bralorne	19	Macassa	19
Buff.-Ankerite	19	Man. Basin	19
B.-Hollinger	20	McKinley	19
Cuniptau Mines	9	McIntyre	20
Cons. Smelters	9	Meridian	20
Can. Gold Placers	9	McMillan Gold	20
Coniaurum	20	Noranda	19
Cons. Smelters	19	Olga Gas	20
Centrecour	19	Parkhill	19
E. Geduld	19	Scotia Manitoba	9
Gt. Bear Lake	19	Siscoe	9
Gunnar	19	Sullivan	19
Howe Sound	19	Spooner Oils	19
Little Long Lac	9	W'nwright West	9
Lake Shore	20		

QUOTATIONS

Bonds	18	Mines	19
Grain	10	Stocks	18
Foreign Exchange	14		

REGULAR DEPARTMENTS

Answers to Enquiries	9
Business	7
Banking	14
Editorial	6
Grain and Milling	10
Insurance	15, 16
Mining	19, 20
Utilities and Transportation	4

CON. INDUSTRIES SHAREHOLDERS MAY GET LITTLE

Liquidating Value Nil But President May Give Stock

MEETING CALLED

Company Offers Case History of Perils of Over-Expansion and Extreme Optimism

Calling of a special general meeting of shareholders of Consolidated Industries Ltd. for February 9 in order to secure approval of sale of assets to Rogers-Majestic Corp. is expected to mark the final suspension of activities of a company that made large profits in the radio industry up to 1931 but which, through over-expansion and adverse economic conditions, has since sustained such heavy losses that unsecured creditors cannot be paid in full. Creditors will meet on February 8.

Despite the fact that the liquidating value of the company is insufficient to yield shareholders any return whatever, it is understood unofficially that Major J. E. Hahn, founder and president of the company, may make an arrangement whereby shareholders will receive some return on their investment; possibly in stock of Rogers-Majestic Radio Corp.

Officially there has been no announcement other than that Rogers-Majestic Radio Corp. has acquired inventories of Consolidated Industries Ltd. subsidiaries. These assets were held by the Bank of Montreal as security for loans which were further secured by the personal guarantee of Major Hahn. Rogers-Majestic is reported to have paid less than $200,000 for these inventories. It is understood, that in part payment, Rogers-Majestic Radio Corp. will issue notes which will be bought by Major Hahn who will also buy treasury stock of Rogers-Majestic. This will aid the latter company in financing the purchase. The agreement, as now drawn, calls for considerable financial sacrifice on the part of Major Hahn. Further sacrifice to the extent of paying something to minority shareholders is not a legal obligation of the president but is in line with his reputation for fair dealing.

Expansion Causes Eclipse

The growth and success of the former De Forest Crosley Radio Corp. up to 1931 and the subsequent decline of the successor company, Consolidated Industries, Ltd., is regarded in investment circles as practically a case history of the perils of over-expansion. While there are other causes contributory to the forced sale of at least part of the company's assets to Rogers-Majestic Corp., one of its chief rivals in the Canadian radio industry, it was the rapid expansion of manufacturing and merchandising operations during 1931 and 1932 that led to heavy losses on inventories, depletion of working capital and finally a compromise agreement with trade creditors. Failure to secure radio cabinets on schedule last fall because strikes interfered with operations of the cabinet manufacturers was apparently the final straw but by no means the real reason for the company virtually suspending operations.

Survived Early Difficulties

At its inception as a publicly owned company, De Forest Crosley Radio Co. was a lusty prodigy of Canadian industry. Originally established in 1923 by Major J. E. Hahn, the company experienced the vicissitudes of a new and rapidly growing industry where new scientific developments were being constantly brought forth and styles changed rapidly. Methods of manufacturing, merchandising and financing had to be developed and hundreds of radio manufacturers in the United States and Canada went out of business. By 1928 the original De Forest Radio Corp. was one of the largest manufacturers of radios and radio equipment in Canada with 1,500 organized dealers, 15 authorized wholesalers and 19 warehouses located from coast to coast. In the year ended July 31, 1927, the company had net earnings of $64,809 and in the 11 months ended June 30, 1928, net earnings were $68,824. With the tide of earnings on the rise the public was offered 10,000 shares of common stock at $25 per share. The number of no par value shares then outstanding was 33,000. The company at that time changed its name to De Forest Crosley Radio Co. No bonds or preferred stock were ever issued.

Production of radios and radio equipment in Canada leaped rapidly ahead in 1927, 1928 and 1929. Value of production in 1928 was 45 per cent ahead of that in 1927; the gain in 1929 over the preceding year was 65 per cent. The rate of advance was checked in 1930 but value of production for the industry reached a peak of $22,776,000 from which it has declined in each succeeding year. De Forest Crosley Radio Co. with a young, alert, aggressive and optimistic sales organization rode the crest of the wave and had net profits of $177,468 in 1928; $223,994 in the 15 months ended March 31, 1930, and $577,554 in the year ended March 31, 1931. The original 33,000 shares of stock was split on a

(Continued on page 2, col. 1)

"The Garnet Tree"—by Mrs. A. H. C. Proctor

YOU ARE INVITED

TO AN

EXHIBITION OF OIL PAINTINGS

BY

Mrs. A. H. C. Proctor

IN THE

FINE ART GALLERIES

EATON'S - COLLEGE STREET

BEGINNING MONDAY, JANUARY 29th

SECOND FLOOR—EATON'S-COLLEGE STREET

The Nation's Business

(Continued from page 1)

expenditures. It may be that there is $50,000,000 of urgent work waiting to be done by governments in Canada. If so, and if the governments can raise the money without straining their credit, the stimulus given to business enterprise by the expenditure of that amount of money would be considerable, although the unfavorable effect of the taxes that would later be necessary to pay the bills would also be considerable. Business men will ask that the expenditures be restricted to urgent or necessary work; that the amount appropriated be strictly limited as to amount before the first dollar is spent, and that the work be financed without resort to dangerous monetary expedients.

Unfortunately, it is debatable whether even a $50,000,000 programme should now be gone ahead with.

* * *

A MUCH longer list is made up by detailing the negative accomplishments of the conference; the things that the Dominion government declined to do; such as to purchase the P. G. E. Railway from British Columbia; to pay pensions to the blind; or to convert all provincial debts under a Dominion guarantee—but the decisions were none the less important for being negative in character.

The conference was the most useful of all that have been held to date and proved the wisdom of holding this annual gathering of the men charged with responsibility for administering the nation's business.

Why We Cannot Copy Washington

IN VANCOUVER, Prime Minister Bennett used some plain speaking in demonstrating why Canada can not and must not follow the United States in a reckless dissipation of government funds to buy prosperity. At the premiers' conference in Ottawa he is stated to have done much the same thing.

Some very startling figures were used by President Roosevelt in his recent budget message to Congress. The president stated in fairly exact figures the amount that the American people were prepared to pay to buy prosperity. He outlined how his administration planned to spend $31,000 a minute during the current fiscal year. He showed how he planned to impose taxes that would double the Government's revenues within two years and how he planned to spend money at a rate that would add $9,000,000,000 to the public debt between July 1, 1933, and June 30, 1935.

Every move that President Roosevelt has made, every word that he has spoken since that exciting day in March last when he took the oath of office, has been followed closely by thousands of our citizens in Canada. There have been plenty of good Canadians to urge that we, too, need a recovery programme; a public works programme, and a new deal.

* * *

AND so when President Roosevelt brought down this budget and calmly announced that the American people could afford to add $9,000,000,000 to their debt within a two-year period in order to buy prosperity, there were not a few people in Canada who wondered why we could not show equal courage, why our governments could not spend money at a similar pace for a similar purpose.

* * *

A BRIEF and candid survey of the financial policies of the two countries since the war would be very much to the point.

In 1919 when the war and the major expenditures arising out of the war had been completed, the total net debt of Canada, added to our railway debt, was $2,375,000,000. By 1929, it had grown by approximately $1,000,000,000 or to $3,348,000,000.

Thus, during the ten years of post war recovery, culminating in the great prosperity of 1929, we added $1,000,000,000 to our national and railway debt.

What happened in the United States? Between 1919 and 1929 the United States reduced its public debt from $25,482,000,000 to $16,931,000. In other words, while we were adding $1,000,000,000 to our debt the United States was reducing its public debt by $9,000,000,000.

Thus, the United States entered the depression with a public debt that had been pared to the limit by comparatively wise and frugal financial administration.

Canada entered the depression with a public debt that was excessively high. On top of the colossal burden of financing our share of the cost of the war we had added large additional burdens, chiefly on account of expansion of government-owned railways.

The obvious implication of these unpleasant comparisons is that we cannot safely rely upon state expenditure in this country to do the whole or the major job of promoting business recovery.

* * *

OUR governments have a rôle to play. They can and must so order their affairs that private capital will be induced to invest in the tempting possibilities for investment that exist in Canada.

Two things among many others do we want from our government in order to increase public confidence and prepare the way for larger private investments of capital. They are these:

1. A drastic revision in government spending programmes to effect a genuine reduction in taxation;

2. Assurance of sound financial and monetary policies so that we may say to the world that investments made in Canada are safe from the confiscation of inflation.

CAN. PERMANENT LIQUID RATIO IS IMPROVED

Earned 10.4 p.c. on Capital in 1933; 12.68 p.c. in 1932

DEPOSITS ARE UP

Increase Noted in Cash; Government Bonds and Real Estate Held For Sale

Canada Permanent Mortgage Corp. completed 1933 with an increase in debenture and deposit liabilities, an improved ratio of liquid assets to deposits and earnings of 10.43 per cent on paid-up capital of $7,000,000 as compared with 12.68 per cent earned in 1932. Net profit for the year was $730,192 after all expenses of management, taxes and full provision for all charges and losses. This compares with net profit of $888,859 in 1932.

To provide additional protection against the possibility of unforeseen losses, $1,000,000 has been transferred from reserve fund which is then shown at $7,000,000. In the statement to shareholders, W. G. Gooderham, president of the company, states: "There appear to be indications that business conditions in Canada are improving. The progress of recovery is, however, almost certain to be slow, particularly in view of the confusion and uncertainty attendant upon world conditions and the effect they may have upon economic conditions in Canada."

Deposits Are Higher

The withdrawal of $1,000,000 from reserve fund and consequent writing down of assets reduces total assets of the company to $70,772,222 from $71,587,473 shown for 1932. Liabilities to the public, however, are up to $56,143,581 from $55,844,024 due to moderate increase in both debentures outstanding and in deposits. Deposits are up to $14,658,296 from $14,608,179; currency debentures are up to $28,897,210 from $28,560,194 while sterling debentures are but slightly lower at $11,683,446. Debenture stock, payable in sterling remains at $793,933 an has been unchanged since 1930.

Improvement is shown in liquid position with ratio of cash and securities to deposits up to 68 per cent from 64 per cent at the end of 1932. Cash is up to $3,034,718 from $2,472,856; Dominion of Canada and provincial bonds are up to $3,580,932 from $2,536,120. Federal and provincial guaranteed bonds are down to $877,329 from $1,486,335 and municipal bonds are down to $1,053,228 from $1,153,224 excluding City of Toronto bonds which at $189,070 remain practically unchanged. Other bonds and debentures have been reduced to $369,647 from $481,144 and stocks to $1,747,571 from $1,973,853. The last item includes $980,000 of Canada Trust Co. stock.

Holds More Real Estate

Mortgage investments are reduced to $52,517,752 from $54,275,910 while interest is up to $1,822,752 from $1,712,084. Real estate held for sale shows sharp increase to $1,154,106 from $758,273. Office premises are carried at $4,326,500 reflecting the write-off of $100,000 for depreciation. In 1932, appropriation for depreciation on premises was only $55,746.

Record of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh. $
1928 ...	7,000,000	1,046,789	12	14.95
1929 ...	7,000,000	1,058,271	12	15.12
1930 ...	7,000,000	989,516	12	14.14
1931 ...	7,000,000	913,928	12	13.06
1932 ...	7,000,000	†888,559	12	12.68
1933 ...	7,000,000	†730,192	9½	10.43

* After deducting interest on borrowed capital, expenses of management, taxes and making provision for possible losses and contingencies.

† Before deducting amount written off office premises, $110,000 in 1933; $55,746 in 1932.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	67,167,242	8,000,000	51,858,322
1929	66,656,017	8,000,000	51,128,826
1930	69,321,288	8,000,000	53,644,580
1931	73,260,893	8,000,000	57,510,257
1932	71,587,473	8,000,000	55,844,024
1933	70,772,222	7,000,000	56,143,581

AGNEW SURPASS RESTORE COMMON TO DIVIDEND BASIS

Marked Improvement in Position Indicated by Action

From Our Own Correspondent

MONTREAL.—Marked improvement has taken place in the earning power of Agnew Surpass Shoe Stores, judging by the action of the directors in declaring a dividend of 20 cents a share on the common stock, payable on March 1 to shareholders of record on February 15.

At the time of the presentation of the annual report of the company for the fiscal year ended May 31, 1933, J. Ellis Warrington told the shareholders that the previous year had been the most unsatisfactory in sales volume and profits since the formation of the company.

Drop in Sales

This statement was borne out by the financial report, which showed gross sales of $1,997,436, or nearly $1,000,000 less than in the fiscal year 1930. Net profits amounted to only $59,819 and after the payment of the regular preferred dividend of $68,197, there was a deficit of $8,378.

Earnings in the past eight months apparently have been on a basis sufficient to permit the provision for depreciation, payment of the preferred dividend and to leave a fairly substantial balance. At present there are outstanding 79,524 shares of common stock, so that the 20-cent dividend would require the distribution of nearly $16,000.

PAPER MAKERS REACH ACCORD ON U. S. SALES

(Continued from page 1)

and to report the results of such conferences with their recommendations to the associations."

Look to the Future

In view of the reorganization which a number of the Canadian companies may have to undertake before long, one clause of the agreement is of particular interest. It reads:

"Each member party agrees with each and all other of the parties that it will not sell, lease or otherwise dispose of any paper mill or part with the possession thereof unless the transferee or leasee thereof or other person to whom such disposal is made, or to whom possession is given, if not already a party to this agreement, shall first become either a party to this agreement or agree to become bound here to such extent and in such manner as the executive committee, in respect of a mill in Canada or Newfoundland, or the advisory committee in respect of a mill in the United States, may deem proper."

The proposals submitted to the N.R.A. administration are really in two parts — one having to do with the code authority set up under the newsprint code and the other having to do with the agreement between the Canadian and American operators.

Both recommendations declare that nothing in them shall prevent fulfillment of existing "bona fide" contracts which are defined as those made, signed and delivered before October 24, 1933.

The base price of $41 is subject to zone and other usual differentials. It is provided that any member of the industry or any representative association or group of consumers of paper may at any time apply to the code authority for an adustment or modification of the minimum during 1934.

Price Increase Possible

The code authority may act on such an application or on its own motion and may "adjust or modify such prices to the extent that it shall find such adjustment or modification justified by general changes, from the level prevailing in October, 1933, in the cost of manufacturing or in the value of the dollar and by conditions in the newspaper publishing industry." It is provided, however, that no such adjustment shall become effective prior to April 1, 1934, nor until at least 21 days after notice of it is given the National Recovery Administrator.

Provision for conferences between newsprint manufacturers and newspaper publishers "from time to time and in any event at least four weeks prior to November 1, 1934," is made in the recommendations, in effort to arrive at "a mutually acceptable conclusion with respect to the minimum price for paper thereafter (and particularly after Dec. 31, 1934) to be used as a basis for further modifications of these recommendations."

Permit Price Change

New contracts for sale of newsprint are to carry a provision which will permit price changes. Two variants of the price change clause are included in the recommendations and manufacturers may take their choice of either.

New contracts and price announcements under existing contracts, except to the extent necessary to conform to requirements of the contracts, are to include clauses to carry into effect the requirements of the recommendations, together with the trade practices provided in the newsprint code.

Steps to Maintain Order

The advisory committee of the American association and the executive committee of the Canadian association are pledged in the agreement to endeavor to secure compliance by their respective members. Each committee is given power to investigate alleged violations and to report any violation to the other committee, each party to the agreement agreeing to cooperate in good faith to assist in investigations.

The agreement declares that violations of any of its obligations by any members of the industry would cause damages to some or all of the other members which might be very serious and might be of such character that it would be impossible even approximately to determine their amount. It further declares that it might be impossible to collect money damages due to the "present impaired financial condition of some of the member parties."

Consequently, the agreement provides that in lieu of money damages members of the industry may obtain an injunction or judgment for specific performance "or any similar or equivalent remedy in the nature of equitable relief."

Money damages obtainable under the agreement are limited to $250, but it is provided that "this agreement contemplates performance and not monetary compensation for non-performance."

Prospects Are Better

With the assurance of stabilized marketing conditions in the American market throughout 1934, the manufacturers are feeling greater confidence in their ability to pull through. Demand for newsprint since the middle of the last year has tended upward. Prospects are more favorable than they have been for some time and expectations are that production of Canadian newsprint this year will be well in excess of 2,000,000 tons.

Even though 1934 holds promise of a definite improvement in the newsprint situation, the producers are still some way off from the point where their finances will be restored to a sound basis and earning power developed to an extent where more than fixed charges can be taken care of. A number of the Canadian companies are in the receivers' hands and it is unlikely that the improvement in 1934 will warrant a release from receivership.

Head Office Montreal

A Million

DEPOSIT ACCOUNTS

DENOTE CONFIDENCE

MODERN, EFFICIENT BANKING SERVICE

.... *the outcome of 116 years' successful operation* ....

BANK OF MONTREAL

Established 1817

● **This year have your Spring Suit custom tailored at SIMPSONS—it DOES make a difference. Prices begin at $50.00.**

Second Floor

THE ROBERT SIMPSON COMPANY LIMITED

CON. INDUSTRIES SHAREHOLDERS MAY GET LITTLE

(Continued from page 1)

four for one basis in September, 1929, after selling as high as $89 per share. The new stock sold as high as $21 per share in 1929 but only got up to 18⅝ a share early in 1931 when information as to the high earnings of the company became public. That year marked a peak in the company's activities and in the 12 months ended March 31, 1931, $4.11 per share was earned. Initial quarterly dividend of 20 cents was paid on May 1, 1930. At present, 141,468 shares are outstanding.

Expanded in Large Way

As the effects of the depression became noticeable on radio sales, executives of the company formulated plans for a diversification of products and operations confident that successes of the past could be continued in the future. In May, 1930, the company formed Universal Acceptance Corp. to handle financing for De Forest dealers. In November, 1930, the Hammond Co. of Canada Ltd. was formed to manufacture electric clocks. In February, 1931, the Norge Corp. of Canada Ltd. was formed to manufacture electric refrigeration and, in May, 1931, to represent more thoroughly the broader nature of the company's business, the name De Forest Crosley Radio Co. was changed to that of Consolidated Industries Ltd. Subsequently two more subsidiaries were formed, Consolidated Industries Products, Ltd., to handle domestic sales and Consolidated Industries Export Ltd., to handle export markets that had yet to be developed.

The acquisition of manufacturing rights for Canada, the formation of numerous subsidiaries, the increased expenditures on fixed assets and raw materials and the increased overhead caused by rapid expansion of manufacturing activities during the early part of 1931 were justified by officials of the company on the basis that business conditions had not only touched but had been moving along a bottom and that the time was ripe to diversify the company's products so that sales could be evened out over the year rather than coming in seasonal peaks which the radio industry could not avoid. This expansion, however, was closely followed by a drastic change in the radio industry, the introduction of midget sets of comparatively low price which met instant popularity. An era of price-cutting on larger cabinets set in that put the majority of Canadian radio manufacturers "in the red" on the year's operations in sharp contrast to the high earnings on 1930 business.

Lost on Other Lines

Had Consolidated Industries, Ltd., had only the losses on radio to contend with, it might have retained the strong liquid position built up in 1928, 1929 and 1930 during which time working capital was increased to $959,023 from $177,637 and cash alone to $352,169 from $4,052. Bank loans at that time were not a feature of the balance sheet; inventories were kept well below $200,000 and excessive amount of investment in plant and equipment was not necessary.

The company, however, had gone into the manufacture of electrical refrigeration extensively. A separate plant was established with a separate organization. Advantage of the manufacturing experience of the United States manufacturer of the same line was not taken and initial production was not sufficiently timely to take full advantage of the seasonal market. As a result this end of the business was not profitable and the company ended its fiscal year on March 31, 1932, with heavy inventories; no cash but heavy bank loans. Losses sustained on operations and costs of Canadian rights etc., written off caused the company to show net loss of $236,832 in sharp comparison with net earnings of $628,655 the previous year.

Losses Large in 1932

The year 1932 was largely a year of liquidation of inventories for both radio and electrical refrigeration manufacturers. Prices were slashed on radios and manufacturers had to compete with sale of low-priced "stencil sets" offered to large retail distributors by radio concerns in financial difficulties many of which either suspended operations in 1932 or later in 1933. Sales by manufacturers dropped to $6,759,000 in 1932 from $18,141,000 in 1931, a decrease of 63 per cent. With a poor liquid position at the beginning of the year, Consolidated Industries Ltd. was forced to take heavy losses both on inventory and on accounts receivable which resulted in a net loss for the year ended March 31, 1933, of $451,412. At that date the company had reduced its current assets to $816,988 from $1,598,194 shown the preceding year largely through reduction in inventories and accounts receivable but current liabilities had not been reduced a corresponding amount and the year closed with an excess of $111,855 of current liabilities over current assets. There followed an arrangement whereby unsecured creditors agreed to grant the company a moratorium on its debts for three years.

Strike Made Difficulties

Operations during the second quarter of 1933, while not on a profitable basis, were better than executives of the company had anticipated. Hopes were held for a better fall market for radios than was experienced in 1932 but failure of cabinet manufacturers to make deliveries delayed shipment of new radio models to dealers and resulted in loss of business.

Starting with relatively little capital De Forest Crosley Radio Co. made rapid progress because its aggressive sales organization took advantage of the "bull market" for electric radios. Subsequent expansion programmes were overleavened by an over-ambitious and over-optimistic sales organization which lacked the salt of manufacturing experience. Sales of electric clocks were but a small factor in the business either for profit or for loss; electrical refrigeration brought the company its chief grief both from a manufacturing and profit-making standpoint. Manufacture of electric washers and ironers and of electric bridge tables never reached substantial volume and contributed in greater or lesser degree to losses. Radio, the bulwark about which the diversified organization was built, experienced the woes of depression and could not support the organization.

Crude petroleum exported from Canada in November totalled 6,433,211 gals. valued at $240,062 which compared with 233,130 gals. at $6,355 in November, 1932.

Goodyear Common

Increasing earnings and growing export markets offer interesting possibilities for this stock

Information on Request

DICKSON, JOLLIFFE & COMPANY

Members Toronto Stock Exchange

Adelaide 7451-2-3-4

60 KING STREET WEST TORONTO

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Ottawa Correspondent

Bennett Majority is 26

PREMIER R. B. BENNETT faces the session, now commencing, with a majority of 26 votes, only a slight reduction from his original majority. This figure, of course, excludes the two vacancies—South Oxford and Toronto East — which are unlikely to be filled until later in the year and possibly not until the next election. These by-elections, however, would not alter the position to any extent. The Toronto seat is considered just as safe for the Government as the Oxford seat is for the Liberals.

* * *

King Drops 40 Pounds

MR. BENNETT after a gruelling year spent in attending conferences abroad and at home, and in striving with the innumerable and ever-pressing problems of administration, will face a rejuvenated opponent in the person of Rt. Hon. W. L. M. King. The Opposition leader appears in public so seldom that his entry into the Commons may be one of the surprises of the year. Mr. King has been dieting, or exercising, or both. And as a result he has banished some 40 pounds of excess weight. He looks ten years younger, to say the least, and is in tip-top fighting trim.

* * *

Market for Lumber

CANADIAN lumbermen are jubilant at the prospects of capturing the lion's share of the 200,000,000 feet of lumber which Britain will no longer purchase from Russia. The British Government has reduced the Russian trade by this amount, leaving the prize to be competed for between Canada and the Baltic countries. Canadian lumbermen do not fear competition, provided it takes place above the cost-of-production level.

* * *

Effect of French Quotas

WHILE the Government has joined with Great Britain in protesting at Paris against the French quota changes, the effect of the new policy upon Canada is still vague. For one thing, our salmon exports are based upon a separate treaty and are not subject to the new policy. But the other quotas we possess in the French market are not based upon special treaties and it is feared that these may be in jeopardy. Hence the protest. Earlier reports indicated that the new policy would not affect quotas except where the exports under them exceeded ten per cent of the French import market. This qualification would leave Canada unscathed. But these reports have not been confirmed and it is doubtful if the new policy is qualified at all.

* * *

Protest Sent to Spain

ANOTHER protest has been forwarded to Madrid, calling the attention of the Spanish Government to a breach of the most-favored nation clause in our treaty with that country. The trade affected is in automobiles. Spain has recently given France a 35 per cent drawback on exports of French motor cars. Britain made a protest similar to that of Canada a short time ago—and won the point. Ottawa hopes to do likewise.

* * *

A Minister's Problems

ANYONE familiar with political biography will appreciate the trials and tribulations of the cabinet minister who speaks out on the public platform. It would appear that Mr. Gladstone did little else than write to colleagues—Mr. Chamberlain in particular— spanking them firmly but skilfully for platform indiscretions. Hon. Harry Stevens, Minister of Trade and Commerce, who made a startling attack on sweatshops and "distress" buying in Toronto last week, seems to have experienced the usual fate in this regard. In an address at Ottawa the other night Mr. Stevens, to quote the report, "spoke of the difficult position of a cabinet minister in saying nothing to offend his colleagues, being aware at all times of the wishes and desires of 20 other ministers to reflect them accurately."

"And yet," the report quotes him, "the public complains of ministers not being sufficiently frank in not conveying to them enough of what is going on. In 23 years of public life I have never hesitated to raise my voice to mold and give a lead to public opinion, and yet I have found it a pretty friendless task. When a minister tries to say something, one frequently finds consciences pricked by suggestions one makes about certain evils that are abroad, and then the full weight of their power is thrown in the scales against one, and usually behind the scenes."

B. C. Nickel Shares Traded in Toronto

Shares of B. C. Nickel Mines Ltd. made their initial appearance in the Toronto over-the-counter market on January 24 with sales going through at 74 cents. Listed on the Vancouver Curb in 1933 the stock had a range of 60 cents to 33 cents and sales in the current year have ranged from a low of 51½ cents to a high of 60½ cents up to January 17.

LOBLAW SALES SHOW 9 P.C. GAIN IN LAST PERIOD

First Major Gain Since 1930; Ratio of Profit to Sales Improves

Sales by Loblaw Groceterias Co. in the four weeks ended December 16 showed an increase of 9.09 per cent over sales in the corresponding period of 1932, the first major gain to be recorded over the same period of the previous year since early in 1930. In addition there was marked increase in sales over the sales of the preceding four week period while in 1932 the seasonal gain was not nearly so marked. While profit remained under the 1932 level the decline from that level was the smallest to be experienced so far in the current fiscal year.

Improvement in sales volume in recent months is due partially to improvement in general conditions partially to higher commodity prices and partially to opening of meat departments in several of the larger stores in the chain. A few stores have been added in the past year. The recent gains have brought the volume of sales in the first 28 weeks of the current fiscal year to less than 1 per cent under sales in the same period of 1932.

Profit Ratio Improves

Profits are still 14.53 per cent under the 1932 level but the ratio of profit to dollar volume of sales has shown gradual increase since the summer months of 1933 and now stands at 5.05 per cent for the year as compared with 5.88 per cent in the same period of the 1932-1933 fiscal year.

Seven periods ended Dec. 16:			
Sales	7,451,181	7,498,032	0.62
Profits	377,516	441,668	14.53

* Increase.

SHAWINIGAN WILL PRODUCE GOOD REPORT

(Continued from page 1)

toward the end of the year, the discount in relation to American funds averaged a great deal less in 1933 than was the case in 1932. Consequently the proportion of earnings available for distribution on the common stock was more substantial.

Set Up Larger Reserves

It is understood that in view of the lessening of the burden created by the purchase of U. S. funds the management will take advantage of the improved exchange situation to set aside larger reserves for depreciation and contingency reserves.

Show Good Earnings

Had reserves for depreciation and contingencies been made on the usual basis, it is reported that the company would have been able to show more than $1 a share on the outstanding 2,178,250 shares of no par value common stock. The report will, it is understood, show in the neighborhood of 75 cents a share compared with dividend requirements of 50 cents a share.

New Development Work

The balance sheet is expected to make reflection of the progress in the construction of the Rapide Blanc development, which in its initial development will have a capacity of around 160,000 h.p. Eventually capacity will be increased to 240,000 h.p. Estimated expenditure on this plant is placed in the neighborhood of $14,000,000 of which the greater part has already been expended.

Liquid Resources Ample

In the 1932 statement it was indicated that the company had made ample provision for taking care of the necessary capital outlay in connection with this development. The report for the past year will continue to reflect a highly satisfactory liquid position. Net working capital will be sufficient to complete the Rapide Blanc development without the necessity of carrying out any further financing.

Subsidiaries Make Progress

It is further anticipated that the Shawinigan report will deal with the developments in connection with subsidiary interests. Toward the end of last year Quebec Power Co. entered into a new contract with the City of Quebec. This is for a period of 10 years. Though the agreement calls for a reduction in rates, expectations are that the company will have no trouble in continuing to pay the present dividend of $1 a share on the common stock, the majority of which is owned by Shawinigan.

The improvement in operations and earnings of Shawinigan Chemicals has been a feature of Shawinigan's consolidated activities over the past twelve months. In 1932 the chemical subsidiary earned $651,060 before interest and depreciation. For the past year it is reported that earnings were nearly $200,000 greater.

Interest in Stock

Improvement which has taken place in Shawinigan's operations and earnings over the past year has of late been reflected in the market value of the company's stock. The heavy burden of paying interest in U. S. funds tended to dampen interest, but with that charge out of the way and the trend of operations upward, a much broader interest has been taken in the company's stock. This has resulted in a advance of several points.

Cites Ten Causes for Default $2,000,000,000 Foreign Bonds

Latin-America Has Black Record; Europe Better; Canadians Have Invested Heavily in Issues Now in Default

By ROGER S. DAVISON

Thousands of Canadian investors visit their safety deposit boxes every month. Each time they open their boxes they are likely to be painfully reminded of good Canadian dollars used to buy foreign bonds such as those issued by the Republic of Peru, Republic of Chile, U. S. of Brazil or Province of Buenos Aires.

Some of these loans have little more than "souvenir" value today. The rosy pictures painted by the bankers who sponsored the various issues together with the imposing array of production, trade and financial statistics have been completely forgotten. The foreign bond illusion has vanished.

All but one of the South American republics, which borrowed extensively in the United States and Canada during the years prior to 1930, are now in default; while many European countries, municipalities and corporations have defaulted in whole or in part on their dollar issues. Altogether 21 countries, represented by 275 separate loans, possess the unenviable distinction of failing to meet their obligations abroad.

Statistics of Defaults

At the annual convention of the Investment Bankers' Association of America held last November, the following table, prepared by the Institute of International Finance, showing the total of outstanding foreign dollar bonds in default, with each country's share, was presented:

Country	*In default of interest $	In default on sinking fund only $	Total amt. in default $
Argentina	94,244,400	4,222,500	98,466,900
Austria	51,569,700	2,608,500	54,178,200
Bolivia	59,422,000	......	59,422,000
Brazil	833,844,300	27,239,500	860,883,800
Bulgaria	16,989,500	......	16,989,500
China	5,500,000	......	5,500,000
Chile	318,506,000	......	318,506,000
Colombia	129,269,800	......	129,269,800
Costa Rica	8,781,000	......	8,781,000
†Cuba	37,649,700	......	37,649,700
†Denmark	995,000	......	995,000
Dominican Republic	......	16,498,500	16,498,500
El Salvador	12,619,300	......	12,619,300
Germany	279,846,500	......	‡279,846,500
Greece	26,942,500	......	26,942,500
Guatemala	......	2,214,000	2,214,000
Hungary	57,384,500	6,578,600	63,963,100
Mexico	807,635,000	......	807,635,000
Panama	13,653,500	......	13,653,500
Peru	91,286,000	......	91,286,000
Rumania	......	62,895,600	62,895,600
Russia	75,000,000	......	75,000,000
†Sweden	86,673,900	......	86,673,900
Uruguay	17,280,500	46,128,000	63,408,500
Yugoslavia	54,297,500	......	54,297,500
Total	2,079,390,600	168,180,200	2,247,570,800

* In most instances sinking fund payments also are in default and on a few issues principal is in default.

† Defaults by private corporations only.

‡ In addition, $27,867,800 notes matured in 1932 and 1933 and were not paid on account of German foreign exchange restrictions. Bondholders consented to extend the greater part of this amount.

The record of foreign issues may be readily appreciated from the following summary taken from Barron's Weekly showing the percentage of total loans in default (by major areas):

PROPORTION OF FOREIGN LOANS IN DEFAULT OF INTEREST

Where Issued	Par amount outstanding Dec. 31, 1932	Percentage of total in default of interest at Aug. 31, 1933
Europe	$3,272,862,700	22
Latin-America	1,489,902,000	81
Asia & Australia	691,990,800	1½

Some Issues Profitable

The foreign bond picture is blackest when the South American loans are brought out for review. On the other hand, investing in French, Belgian, Italian, and many other issues has proven exceedingly profitable. The lowest point reached by the average price of all foreign bonds listed on the New York Stock Exchange was 60 at the end of 1931. In the early part of 1932 the average rose to over 70 but fell again to nearly 60 in March of 1933. From the latter date an almost uninterrupted rise has taken place—the average price standing at approximately 75 as of Dec. 31, 1933.

Very few holders of foreign issues were fortunate (or wise) enough to see the handwriting on the wall two or three years ago. The majority have grimly retained their bonds and have watched the price decline month after month with seemingly no prospect of improvement. In many cases the certificates have been relegated to a sort of "rogues" gallery.

Is there any hope of these foreign issues eventually being worth anything like their face value? Will the beautifully engraved certificates some day be saleable for at least a good part of their original cost?—or will the holder of these issues save himself both money and worry by selling them out now for whatever they will bring and reinvest the proceeds in deflated Canadian corporation issues?

Factors in Collapse

To understand the existing situation with respect to foreign loans, and to form an intelligent opinion of the prospects of each issue it is necessary to review very briefly the factors which brought about a general collapse in this type of security as well as to examine the present financial and economic position of each country in relation to its outstanding obligations.

The principal reason for the failure of so many countries to continue the payment of interest on their external loans may be enumerated as follows:

1. The era of universal over-borrowing.
2. The use of the proceeds from the loans for unproductive purposes.
3. The inherent inability of certain countries to maintain large payments abroad due to limited or non-diversified resources.
4. The drastic and sudden fall in commodity prices (particularly agricultural prices) resulting in greatly reduced incomes for producing countries.
5. The 70 per cent decline in world trade since 1929.
6. The complete breakdown of the gold standard in 1931—with the consequent difficulties of international payments of all kinds.
7. The increased burden of foreign payments due to depreciated currencies.
8. The collapse of the international money market in 1931.
9. The general difficulty which all governments are experiencing in balancing their budgets.
10. Political instability of the borrowing country.

Assessing the Prospects

No proof is required of the influence which most of these factors have exerted in contributing to the steady stream of defaults since the "new era" days of 1929. It is nevertheless almost unbelievable that scarcely any of these hazards were given proper consideration when the foreign loans were being rapidly oversubscribed by eager investors on this continent.

With the general causes of default placed squarely before the foreign bondholder he should be in a better position to predict the chances of his investments being restored to their former value. If the difficulties appear insurmountable the prospects are none too promising. If on the other hand the adverse factors are related to the general economic disequilibrium so manifest today, there is hope that the loans in question may eventually be made good. Each factor is discussed briefly in the following paragraphs.

It is of course too late to cry over the spilled milk of unwise borrowing; so one can only bemoan the day when lending money abroad became so popular that the issues could scarcely be printed fast enough. The encouraging feature of this regretful experience is the fact that the second largest creditor nation in the world (the United States) has now learned what the largest creditor nation (Great Britain) learned years ago. A more critical attitude toward foreign borrowers is likely to be shown in future.

Where Prospects Poor

Where the proceeds of the loans floated in this market were used for non-productive purposes, and in those instances where a large part of the country's debt represents a dead weight, small chance exists for the debt ever being paid. The case of Bolivia is an excellent example of unwise borrowing. The proceeds of this republic's external loans were used to finance a particularly useless war with Paraguay. Another instance of unsound borrowing may be cited in the case of a German municipality which required $125,000 to improve the town's power station. It is related by Max Winkler in his recent book —"Foreign Bonds—An Autopsy"— that American bankers persuaded the mayor of the town that a $3,000,000 loan was more desirable— and a $3,000,000 loan was successfully sold in the American market.

Certain countries should, of course, not borrow abroad at all. All countries should restrict their borrowing to an amount which may be easily met from their favorable balance of trade. The republic of Chile found that once the export of copper and nitrates virtually disappeared no other means could be found for procuring the necessary foreign exchange with which to meet its debts. Many other republics find themselves in a similar predicament while it may be said that generally speaking minor provinces and municipalities should refrain from borrowing abroad, since their legislative authority gives them no power to overcome the periodic economic crises in national affairs.

Commodity Prices

The prospect of higher commodity prices is cheering to those holding foreign issues since every rise in the price of agricultural and mineral products will lighten the burden of debt payments. A considerable rise in the price of coffee, copper, and wheat (to mention only a few commodities) would be immediately reflected in higher market quotations for Brazilian, Chilean and Argentine issues respectively.

The problems of trade, tariffs and exchange are so closely related that it is impossible to refer to one without considering the others—if indeed it were possible at all to discuss their connection with foreign debts within the limits of so brief an article. Probably all that can be said with any degree of assurance is that no substantial rise in the price of foreign bonds is likely to materialize until a successful world economic conference has been held. The proceedings of the next international conference will be carefully followed by those who have invested money abroad and who are awaiting a favorable opportunity to bring it home again.

The question of the balanced budget is one over which a great deal of controversy has raged from the standpoint of internal expediency; but there can be no doubt that a balanced budget is highly desirable from the point of view of the borrowing country's creditors. A country's obligations should be viewed with grave concern if no effort is being made to balance its budget.

Political Factors

The final factor affecting the position of foreign loans, viz, political instability, is probably the most difficult to weigh intelligently and the most uncertain with respect to the future. Repudiation of debts contracted by preceding governments is rare for obvious reasons; but a change in government may bring a change in financial and economic policies which sooner or later will lead to default. If revolutions or frequent political uprisings are characteristic of a country with external loans, a cautious attitude toward such issues is certainly warranted. Political stability is one of the most important assets of a debtor nation and should be a "sine qua non" of future loans.

From the standpoint of the Canadian investor there is one additional point which must be observed. Since virtually all of these foreign issues are payable in New York funds the value of the income of the bonds, as well as the principal itself, will vary with the fluctuations in the exchange market. A high premium on N. Y. funds provides Canadians with the opportunity of liquidating foreign investments at a premium over their New York price.

This is the first article in a series reviewing the foreign bond situation. The next article, outlining the status of South American loans, will appear in an early issue.—Ed.

Canadian Gypsum for Sweden

The greater part of the gypsum board imported into Sweden in 1932 was supplied by Canada, according to advices from Scandinavia. There are extensive gypsum deposits in New Brunswick and Nova Scotia which are among the purest known and gypsum board is one of the products manufactured from these deposits.

CANADA CEMENT OUTLOOK STRONGER

President Believes Odds Are in Favor of Permanent Improvement

From Our Own Correspondent

MONTREAL.—Some improvement has been noted in affairs of Canada Cement Co. since the close of the fiscal year on November 30 last, according to a statement made by J. D. Johnson, president, at the annual meeting of the shareholders. He said:

"In regard to the business of the company since the report of the Board of Directors went to you, the tendency noted therein has continued and, while the gain in business has been very slight over the previous year and the winter months represent only a very small percentage of the year's business, still, it is encouraging at least that the monthly decline which obtained over the previous few years has been halted.

"It is, perhaps, too early to be optimistic, but the evidence of the past few months indicates a lifting of the gloom, and certainly an improvement in general conditions. Is it too much to hope that this upturn is a permanent one? While the present year will, no doubt, be a critical one in many respects, the odds, I think, are for permanent improvement. Your company should benefit accordingly.

The annual report was approved by the meeting and the directors were re-elected.

Cockshutt New President Gypsum, Lime Enterprise

From Our Own Correspondent

MONTREAL.—Better times in the agricultural industry are necessary for general recovery, according to a statement made by Col. H. Cockshutt, at the annual meeting of Gypsum, Lime and Alabastine (Canada). Improvement in this field, together with the expected benefits of currency inflation, will determine the extent of the improvement in Gypsum's business, he said.

Following are the directors elected for the current year: Col. the Hon. H. Cockshutt, R. E. Haire, J. E. McConnell, W. C. Pitfield, W. T. Henderson, J. R. Inksater and Geo. A. Dobble.

At a subsequent meeting of the directors, Col. Cockshutt was appointed president and chairman of the board. R. E. Haire formerly occupied the position of the president, a post which is now consolidated with that of the chairmanship.

OUR POLICY

It is naturally the firm policy of the Crown Trust Company to continue in connection with such business the professional services of those solicitors who refer business to this company.

We invite enquiries regarding our services and charges from anyone interested.

Crown Trust Company
393 ST. JAMES STREET MONTREAL
LET US SERVE YOU AND YOUR FAMILY

Quebec Gold Output

The production of gold in the Province of Quebec in 1933, according to a preliminary estimate of the Federal Government, amounted to 287,861 fine ounces valued at $8,013,664. Quebec ranks second among the gold producing provinces of the Dominion.

BIGGER! FASTER! MORE RUGGED THAN EVER!

Yet New Dodge Still Priced Right Down Among the Lowest Price Cars!

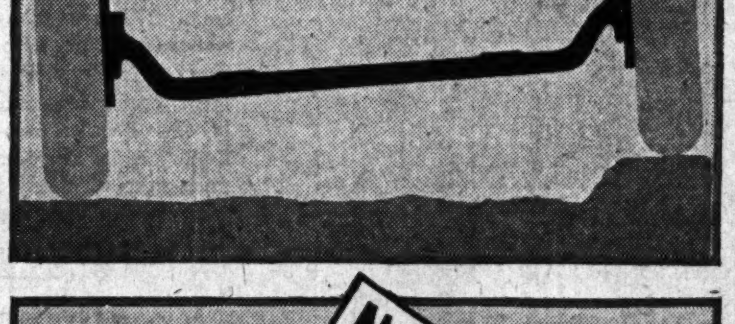
WHEREVER people talk about automobiles, Dodge is sure to get first mention—because it is Canada's most-talked-about car! But wait till you hear motorists rave about these new, bigger Dodge Sixes for 1934!

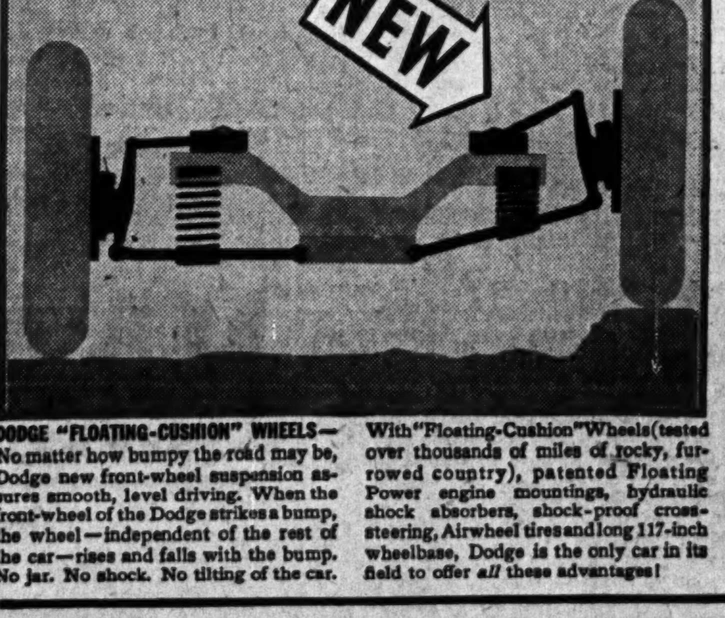
They have everything that made thousands switch to Dodge last year—style, ruggedness, safety—plus new features and improvements that again make them the biggest dollar-for-dollar values you can buy!

A NEW front-wheel suspension called "Floating-Cushion" Wheels. A NEW ventilating system—improved, perfected—with 7 points of ease and convenience. NEW luxury. NEW appointments. NEW economy.

And in 1934—as in 1933—Dodge asks you to be *your own judge* of values with the "Show-Down" Plan. It gives you the plain, unvarnished facts about automobiles. Lets you check the Dodge Sixes against the other cars for features . . . economy . . . safety. Ask any Dodge dealer about this startling Plan.

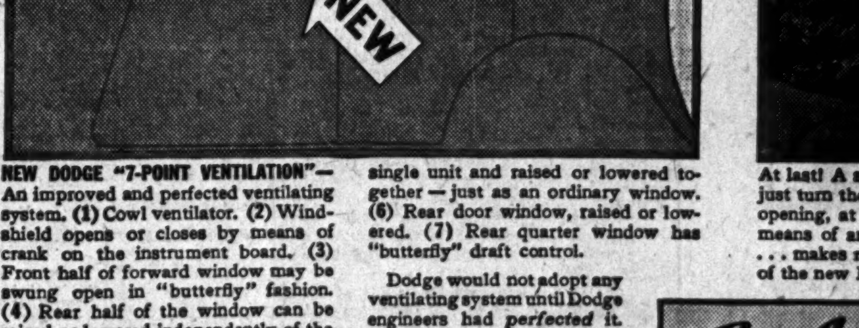
See the new, bigger Dodge Sixes at the Auto Show or at your dealer's. See with your own eyes how much they offer you—how far ahead of the others they are.





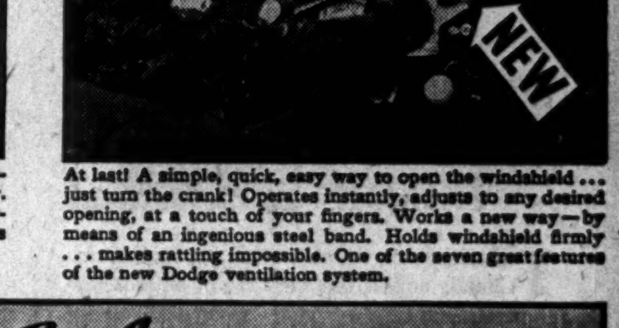
DODGE "FLOATING-CUSHION" WHEELS—No matter how bumpy the road may be, Dodge new front-wheel suspension assures smooth, level driving. When the front-wheel of the Dodge strikes a bump, the wheel—independent of the rest of the car—rises and falls with the bump. No jar. No shock. No tilting of the car.

With "Floating-Cushion" Wheels (tested over thousands of miles of rocky, furrowed country), patented Floating Power engine mountings, hydraulic shock absorbers, shock-proof cross-steering, Airwheel tires and long 117-inch wheelbase, Dodge is the only car in its field to offer *all* these advantages!



NEW DODGE "7-POINT VENTILATION"—An improved and perfected ventilating system. (1) Cowl ventilator. (2) Windshield opens or closes by means of crank on the instrument board. (3) Front half of forward window may be swung open in "butterfly" fashion. (4) Rear half of the window can be raised or lowered independently of the "butterfly." (5) Both halves of the forward window may be locked into a single unit and raised or lowered together—just as an ordinary window. (6) Rear door window, raised or lowered. (7) Rear quarter window has "butterfly" draft control.

Dodge would not adopt any ventilating system until Dodge engineers had *perfected* it. Dodge "7-point Ventilation" is an improvement over ordinary systems. It is more than a way of controlling drafts because it allows for thorough ventilation under all conditions of weather and climate.



At last! A simple, quick, easy way to open the windshield ... just turn the crank! Operates instantly, adjusts to any desired opening, at a touch of your fingers. Works a new way—by means of an ingenious steel band. Holds windshield firmly ... makes rattling impossible. One of the seven great features of the new Dodge ventilation system.

NEW BIGGER "AIRWHEEL" TIRES—Dodge gives these plump low-pressure "Airwheel" tires to you—bigger than ever—as standard equipment. They add to the smart style of the new, *bigger* Dodge. And they add safety, too—grip the road better; reduce skidding hazard. New distinguished hubcaps.

And—THESE FAMOUS DODGE FEATURES

FREE WHEELING
QUIET GEARS
X-BRIDGE-TYPE FRAME
HYDRAULIC BRAKES
SAFETY-STEEL BODY
AUTOMATIC CLUTCH
FLOATING POWER
"OILITE" SPRINGS

NEW *Bigger* DODGE

SEE YOUR DEALER AND BE ONE OF THE FIRST TO RIDE IN A NEW DODGE

Utilities and Transportation

N. B. TELEPHONE PROPOSE ISSUE OF DEBENTURES

Decision as to Particulars Will be Reached Next Month

From Our Own Correspondent

MONTREAL—Directors of New Brunswick Telephone Co. are considering a proposal to issue debentures. The matter has already been discussed and it is expected that a decision will be reached about the middle of next month as to the amount, terms, etc.

The last balance sheet of New Brunswick Telephone covering 1932 showed an adverse working capital of nearly $500,000. Working assets amounted to $466,530, of which $245,880 was in supplies, $206,620 in accounts receivable and $14,030 in cash on hand.

Current liabilities aggregated $943,166, the principal item being bills payable of $790,000. These bills payable were contracted in 1931 when they totalled $845,000. It is expected that a further reduction was made in this liability during 1933, but details will not be known until publication of the annual report next month.

Earning Power Record

Earning power of New Brunswick Telephone, like other communication companies, has been affected by business conditions. Income in 1932 totalled $1,318,315 compared with a high of $1,551,420 in 1930. The company has no funded debt, all of the net earnings being available for distribution on the common stock of which $5,285,880 is outstanding. From 1909 to 1913 the company paid six per cent on the stock. In the next two years the rate was raised to seven per cent and between 1916 and 1931 eight per cent was paid. With a reduction in income the dividend was reduced to 5¾ per cent in 1932 and to five per cent in 1933.

Montreal Utilities Meet Full Bond Obligations

From Our Own Correspondent

MONTREAL. — In response to a query on the part of the New York Curb Market concerning the course the company intends to follow in servicing its own multiple-pay issues, or those of its subsidiaries, Montreal Light, Heat & Power Cons. has written to the effect that it has as yet put no limit on bondholders' options on servicing methods. In the matter of Cedars Rapids 5's of 1953 coupons will be redeemed in New York, Montreal or sterling funds at the option of the holders, and holders of the company's own 5's of 1951 and 1970 have not as yet had their options limited. Much to the same effect, the Canadian National Railways has written the New York Curb Market in connection with service on the Grand Trunk Western Rly. Co.'s 4's of 1950.

Northern Quebec Power Arranging for Line Work

From Our Own Correspondent

MONTREAL.—Northern Quebec Power Co., subsidiary of Canada Northern Power Co., has opened an office at Noranda and is preparing for the construction of the transmission line to the Siscoe gold mining area.

The survey of the right-of-way from Noranda to Louvicourt Township has already been completed. The next task will be the distribution of poles, crossarms, wires, insulators, camp equipment and other material along the right-of-way in order that the construction of the line may be expedited and power made available to the mines in the Siscoe area during the coming summer.

Public Utility Earnings

Jamaica Public Service

December:	1933	1932	Increase
	$	$	$
Gross earnings ..	81,229	77,759	3,470
Net earnings	36,789	40,140	*3,351
Surplus after chgs.	27,354	30,846	*3,492
12 Mos. end. Dec. 31:			
Gross earnings ..	802,259	790,917	11,342
Net earnings	327,108	325,668	1,440
Surplus after chgs.	213,493	213,930	*437

*Decrease

National Light & Power

11 Mos. end. Nov. 30:	1933	1932
	$	$
Gross revenue	443,052	467,160
Operating expenses	229,803	223,632
Net earnings	213,249	243,528
Less: Depreciation	22,152	23,358
Property taxes	24,016	25,800
Bond interest	110,000	110,000
Add: Misc. earns.	6,160	1,122
Net profit*	63,241	85,492

*Before allowance for income tax or provision for note interest.

STRENGTH . . . and INCOME

THE rising curve of power production in Canada adds to the encouraging outlook for Public Utility Companies, and particularly those Companies which during recent years have demonstrated their strength and stability.

Many sound public utility bonds are available at prices to yield rates of interest which are exceptionally attractive.

We shall be glad to send upon request an analysis of the senior securities of

GATINEAU POWER COMPANY
B. C. POWER CORPORATION
MACLAREN-QUEBEC POWER COMPANY
SHAWINIGAN WATER & POWER COMPANY
CANADA NORTHERN POWER CORPORATION

NESBITT, THOMSON and Company Limited

355 St. James Street, Montreal

Branches in all the principal cities of Canada

146

Ontario Trucking Body Urges Need of Supervision

Legislative Action to Regulate Business Said to be in Interest of Trucker and Public

By L. G. FABIAN
President, Automotive Transport Association of Ontario

The needs of the automotive transport industry are the needs of the public. Attainment of the objectives of the organized trucking industry will be fair to the railways and just to shippers.

Major problems of the trucking industry arise from the fact that rates for the carriage of goods still are largely a matter of bargaining between shippers and truck owners. We find that the more important shippers agree with the association that rates should be standardized. But until rates are fixed and stable, every shipping clerk is intent on haggling; he does not wish it said—he cannot afford to have it said—that his rival shipping clerk gets his goods to market at a lower cost.

Truck Owners Human

Truck owners are all too human. With hundreds of little fellows operating in Ontario it is too much to expect that they will agree to the standard rates and stick to them when cash can be had for a return part-cargo. We have been urging—and the railways and the Industrial Traffic League have joined us in urging—that the provincial government establish rates and penalties for the irregular variation from such rates. As a result of the inter-provincial conference, it seems likely that the Ontario Government will institute this reform.

We believe that the majority of the members of our association are business men and they control 75 per cent of the common carrier trucks in Ontario. But if one quarter of the industry does not behave, four quarters are in more or less serious trouble. We believe the trucking industry being in the nature of a public utility must have detailed, expert and even-handed public supervision.

Must Know Costs

The owner of a common-carrier truck needs to be a good bookkeeper if he is to know every month whether or not he is operating at a profit. Too many of the people in this industry do not know until too late that there is a heavy charge against operations known as "depreciation." The accumulated depreciation, moreover, does not become an active charge until a year or two hence when repair charges are becoming a more serious item than in the early stages. Meanwhile, many a mile has been travelled at a loss and the whole industry has suffered because of the inability or unwillingness of the few to know their costs.

Of course there are other ways of operating below cost than merely forgetting that the big bad wolf of depreciation is waiting at the end of the journey unless a stronghold of reserves are built brick by brick, mile by mile. The other ways are chiefly the payment of wages away below the subsistence level for a family in this country and the avoidance of taxes and other charges.

Urge Supervision

So we are urging that the provincial highways department closely supervise the whole industry. There should be a standard minimum wage, provision for a driver's expenses when away from home overnight, strict enforcement of the law as to the maximum number of hours a driver may be on duty each day and the laying down of other conditions which will achieve the dual purpose of creating decent conditions for workers while making the competition fair for the truck owners who desire to do right by their employees, and fair for the railways, the employees of which have long-standing agreements as to wages, hours and conditions of work.

It is imperative from every point of view that the laws governing the trucking industry be rigidly enforced. If enforcement is not energetic and competent, the law-abiding common carriers are further penalized. In the press recently a man in Western Ontario was in court for failure to procure his public commercial vehicle license after "being repeatedly warned." The last day for acquiring these extra licenses was May 15 and most of our membership paid on the nail. Scores of small operators appear to have escaped so far. In the case mentioned, the fine was $10 for failure to procure a license which would have cost somewhere between $150 and $250. It is apparently cheaper to be fined than to be licensed.

Corporation Trucks Untaxed

One phase of the trucking problem which all authorities have so far side-stepped has to do with the considerable number of vehicles owned by private corporations and used by them for the carriage of their own goods exclusively. They move a substantial amount of freight per year and are competition for the common-carrier truck as well as the railways. They appear to be beyond all jurisdiction except the traffic laws.

However, there would be little fear of the relative number of these vehicles growing if there were not a tendency to tax excessively similar vehicles which are operated as common carriers. It is our contention that the fees for public commercial vehicles should be no greater than the amount necessary to administer the laws and regulations governing such vehicles, leaving the ordinary license fee and the gasoline taxes to pay highway rentals. There is no doubt that the provincial governments have profited greatly from the public commercial license fees. By a generous estimate, Ontario, for instance, is getting from the common-carrier trucks three times as much as Ontario has been spending to administer the public-commercial vehicle act.

Use Taxes for Supervision

There is no logic in compelling the public commercial vehicle owner to pay a higher tax than is paid on the private truck unless the whole of the higher tax is used for supervision of the industry. Of the three largest grocery chains in Ontario, two contract for the carriage of goods to stores distant from warehouses while the third owns its fleet of trucks. Two of them, in other words, will be tempted to buy fleets of trucks for their own purposes if public vehicle license fees get so high that the trucking companies no longer can quote rates to compare with the cost of owning trucks. And in such an event, the truck fleets would be beyond the jurisdiction of public authority as regards those matters which constitute a menace to the profitable operation of our railways.

The Automotive Transport Association of Ontario has a keen appreciation of the problems of its own industry and has worked for several years in the hope of making its own salvation and, incidentally, removing any conditions which are not in the public interest. By experience, we know of its advantages—its efficiencies. The hopeful feature is that more and more truck owners have come to agree with the broad principles which have been evolved and there can be, with the co-operation of public authorities, a real improvement in practice in the near future.

LAMBTON LOAN HAS REDUCED EARNINGS

Liabilities to Public Lower on Debentures and Deposits

Lambton Loan & Investment Co., Sarnia, Ont., earned 4.7 per cent on capital of $789,750 in 1933 as compared with 8.5 per cent in 1932, while dividends paid were reduced to 4½ per cent from 8½ per cent. While it is stated that existing conditions in farm and city mortgages seem to indicate a definite trend for the better, the directors have considered it advisable to take into earnings only sufficient revenue to cover dividends, placing the surplus as an additional investment reserve.

Total assets of the company dropped to $4,206,804 from $4,623,844. Decrease is shown in liabilities to the public which are down to $2,585,016 from $2,837,275. Included in liabilities to the public are debentures and accumulative bonds at $1,549,032, down from $1,659,062; deposits are down to $851,786 from $905,914; while bank bills payable have been reduced to $181,098 from $270,000. Under liabilities to shareholders there is slight change and reserve fund remains at $800,000.

Investments Reduced

Cash is down to $35,038 from $44,782; Dominion of Canada and provincial bonds are down to $148,420 from $199,891 and securities of Canadian municipalities are down to $64,586 from $168,205. Loans on stocks and bonds have been reduced to $79,499 from $134,628. Principal of mortgages and agreements of sale is down to $3,410,892 from $3,520,941 and interest due and accrued is down to $152,775 from $208,526. Real estate held for sale is down to $109,704 from $140,333. Stock of Lambton Trust Co. remains at $180,000 and premises are carried at $19,489.

Record of earnings of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned
	$	$	%	%
1928	789,750	109,176	10+2	13.8
1929	789,750	100,726	10+2	12.7
1930	789,750	95,160	10+2	12.0
1931	789,750	83,574	10	10.5
1932	789,750	67,384	8½	8.5
1933	789,750	37,768	4½	4.7

Year	Total Assets	Reserve Funds	Liab. to Public
	$	$	$
1928	5,118,310	950,000	3,294,250
1929	5,097,828	950,000	3,267,812
1930	4,923,824	950,000	3,092,917
1931	4,744,577	950,000	2,950,366
1932	4,623,844	*950,000	2,837,275
1933	4,206,803	800,000	2,585,016

*Includes $150,000 general investment reserve.

DE HAVILLAND REDUCES LOSS CASH IS STRONG

Business in 1933 Under That of 1932 — Outlook Better

Drastic economies in operating expenses enabled de Havilland Aircraft of Canada Ltd. to reduce net loss to $19,952 in the year ended September 30, 1933, as compared with net loss of $29,156 in the preceding year after allowance for depreciation. Net trading loss, before depreciation is stated to be down to $6,200 from $16,723. Despite four years of unprofitable operation the company retains a strong working capital position.

Volume of new business and reconditioning work was less in 1933 than in 1932. While turnover is lower the company delivered more new aircraft than in 1932. It is stated that "there appears to be grounds for some increase in Government air activity and undoubtedly any steps taken to re-establish the air mail service in Canada, which at the present time is receiving widespread attention, will be reflected in all other phases of aviation activity."

Income and Surplus Account Years Ended Sept. 30

	1933	1932
	$	$
Net loss	19,952	29,156
Add: Prev. surplus	12,069	34,518
Net profit on red. of shares	10,125	12,950
Less: Adjustments	.....	6,243
Balance carried forward	2,242	12,069

While working capital is reduced to $196,352 from $212,733, current liabilities are negligible and current assets show good liquidity. Cash is up to $41,767 from $20,584 and Government guaranteed bonds remain at $40,910. Accounts receivable are down to $8,004 from $31,772 and inventories have been reduced to $104,747 from $122,579. Working capital position is as follows:

Working Capital

	1933	1932
	$	$
Current assets	198,812	219,847
Current liabilities	2,460	7,114
Working capital	196,352	212,733
Ratio	80.81—1	30.90—1

Fixed assets are carried at $125,242 including land at $29,000; buildings at $78,129; plant and equipment at $14,748 and roadways and improvements at $3,365. Deferred charges remain at $1,585 and manufacturing rights and patents at $2. Among liabilities mortgages payable have been reduced by $1,200 to $16,600. During the year 125 shares of preferred stocks were retired leaving 2,715 shares of $100 par value outstanding together with 25,000 shares of class A and 5,000 shares of class B stock carried at a nominal value of $32,840.

Watt Elected Vice-President Of Montreal Tramways Co.

From Our Own Correspondent

MONTREAL.—R. N. Watt, formerly assistant to the president, has been appointed vice-president of Montreal Tramways Co.

Col. J. E. Hutchinson, who for many years has acted as vice-president and managing director, relinquishes the position of managing director, continuing, however, as a director and vice-president of the company.

Mr. Watt will assume the duties heretofore exercised by the managing director.

K. B. Thornton will continue as general manager.

B. C. Electric Signs Agreement On Wages

From Our Own Correspondent

VANCOUVER.—The wage dispute between carmen in the employ of B. C. Electric Railway and the company has been amicably settled, and a new twelve-month agreement has been signed by both parties. This ends the threat of a possible strike which would have completely tied up the street car services maintained by B. C. Electric in Vancouver and the lower mainland of British Columbia.

Under the new agreement no reduction in wages will be made, although the majority report of a three-man conciliation board has recommended a 5 per cent reduction. The company had previously asked the men to accept a 10 per cent cut, but application of this schedule had been delayed pending the conciliation board's report. This report was opposed by the carmen's unions which authorized a committee to continue negotiations with the company.

UPWARD TREND MOTOR ACCIDENTS CONTINUES IN '33

Travelers Survey Shows 29,900 Killed — 850,000 Injured

A 2.5 per cent increase in automobile accidents in America during 1933 is reported in the annual continent-wide survey undertaken annually by the Travelers Insurance Co. Total number killed in this manner in 1933 is placed at 29,900 as compared with 29,196 in 1932.

The upward trend in deaths from automobile accidents was broken in 1932 for the first time since automobile accidents have become a serious problem, and the record for last year shows that the upward trend was renewed, beginning in June.

The number of automobile accidents last year is estimated at 750,000 and the number of persons injured at nearly 850,000. The gain in fatalities per accident amounted to 5.9 per cent, and the number of injuries per accident increased 2.2 per cent, while deaths and injuries combined per accident increased 2.4 per cent.

The gain in automobile accident fatalities as well as injuries per accident for last year occurred despite an indicated drop of 1.6 per cent in the total number of motor vehicles registered and a decrease of nearly 2 per cent in the consumption of gasoline by motor vehicles.

About 32 per cent of all the accidents were of the automobile-pedestrian type, although the number of pedestrians killed approximated 45 per cent of the 29,900 fatalities.

MT. ROYAL HOTEL OPERATING LOSS $22,576 FOR 1933

Transient Traffic Falls Off Sharply During Past Year

From Our Own Correspondent

MONTREAL. — Mount Royal Hotel Co. operations in 1933 resulted in an operating loss of $22,576. According to the management there was a sharp drop in the number of people travelling last year, tourist business was adversely affected by the Chicago World Fair, while there was less demand for hotel services in general. Consequently earning power was greatly restricted.

Mortgage interest, depreciation and amortization charges caused a deficit for 1933 totalling $468,832. In the previous year there was a deficit of $296,176. Particulars of the income account for the past three years follow:

	1933	1932	1931
	$	$	$
Net earn.	†22,576	151,489	583,678
Mtge. int.	196,197	195,891	201,747
Amortization .	50,058	51,716	55,480
Deprec.	200,000	200,000	200,000
Net profit ...	*468,832	*296,176	126,451
Pfd. divs. ...	......	......	204,771
Surplus	*468,832	*296,176	*78,320
Prev. surp. ...	*348,312	11,731	90,050
Balance	*817,144	*284,445	11,731
Res. add.	‡43,058	¶63,867	
P. & L. bal. .	*860,202	*348,312	11,731

†Loss for year after operating expenses, taxes and provision for bad and doubtful debts, but before interest, amortization charges and depreciation.
*Deficit.
‡Being $40,768 reserved against claim in litigation and an amount of $2,290 written off other investments.
¶Amount reserved for depreciation of investments, $50,000, plus amount reserved against claim in litigation, $20,000, less adjustment affecting prior year $6,132.

Working Capital Position

	1933	1932	1931
	$	$	$
Curr. assets ...	581,446	770,611	801,576
Curr. liabs. ...	161,273	149,180	167,987
Work. cap.	420,173	621,431	633,589

Reduce Cash Assets

The balance sheet at the end of 1933 shows a general weakening as a result of the adverse operating conditions during the year. There is no change in the outstanding mortgage debt or capital stock. Contingent liabilities in the way of outstanding dividend arrears and script dividend certificates show an increase.

Current liabilities are higher than at the close of 1932, due to a sharp increase in accrued interest, and "other accrued charges."

Among assets, cash on hand call loans show a reduction from about $236,000 to $72,184. Securities held are off slightly at $397,074. The latter had an approximate market value on December 31 of $296,100. Other current assets show relatively little change during the year.

Property Account Lower

Property account is shown on the books at $7,744,937, a drop of over $200,000 from the previous year due to the writing off of $200,000 for depreciation.

Litigation claims of $40,768 in connection with the company's claim against the United Hotels Co. of America have been written off.

Goodwill remains unchanged at $900,000, while the deficit in the profit and loss account has increased from $348,312 to $860,202.

Revelstoke Collects 78.4% 1933 Levy on Cut Mill Rate

City of Revelstoke, B.C., collected 78.4 per cent of its 1933 tax levy within the year, the annual financial statement reveals. This was accomplished on a 40-mill tax rate, compared with a 42 mill rate in 1932, and despite virtual discontinuation of Government grants and increased municipal share of provincial social services.

Total levy was $59,922, of which $46,977 was collected in 1933. Also $11,947 out of a total of $19,721 arrears was collected making a total of receipts of $58,924. Arrears at the end of the year totalled $20,718. The city reduced its temporary bank loan from $24,700 to $15,000.

The city's sinking fund is invested to yield 4.75 per cent, according to the report, and holdings are: $47,000 Revelstoke bonds; $70,000 B. C. 5's of 1934-35; $50,000 Saskatchewan 4½'s, 1944; $11,000 Saskatchewan 5's, 1958-59; cash $30,638. Total of fund, valuing bonds at par, is $208,638, against total funded debt of $541,000.

Bulk of Nation's Wealth Is Owned By Canadians

Invested Capital at Jan. 1, 1934, Estimated for Business Year Book at $15,247,000,000 — 62% Owned by Canada

By KENNETH W. TAYLOR, M.A.,
Associate Professor of Economics, McMaster University.

The total national wealth of Canada as of January 1, 1930, was estimated by the Dominion Bureau of Statistics to be about $30,860,000,000. On the same date British and foreign investments in Canada were estimated at $6,126,000,000, or about 20 per cent of the national wealth. On the other hand, Canadian investments abroad were about $1,800,000,000, so that our net foreign indebtedness was about $4,300,000,000, or about 14 per cent of our wealth.

The heavy fall in prices and in capital values since 1930 has made it very difficult to indicate comparable figures for recent years. There are, however, statistics which make it possible to estimate annually the total amount of industrial and funded capital in Canada. The total for January 1, 1934, is $15,247,000,000, according to figures prepared for The Financial Post Business Year Book shortly to be published.

Trading Establishments and Agriculture Omitted

This figure, as the table below shows, includes all Dominion, provincial and municipal bonds outstanding and the actual capital invested in railways, public utilities, mines, manufactures and financial institutions (banks, trust and loan, insurance companies, etc.). It does not include capital invested in agriculture, in trading and service establishments, nor in land and buildings not directly used in the included groups. Nor does it include, among the financial institutions, capital which is money invested in other securities (e.g., investment trusts and holding companies).

To avoid duplication, an amount has been deducted from the capital invested in railways and in public utilities to cover the public funds (represented in government and municipal bonds) actually invested in the construction or acquisition of railways, power projects, telephones, etc.

Ownership of Capital in Canada
(In millions of dollars)

	Total	Owned in— Canada	Great Britain	United States	Other Countries
	$	$	$	$	$
Gov't. and municipal bonds	5,477	4,136	516	814	11
Railways	3,025	1,329	908	751	37
Public utilities	1,645	988	105	537	15
Pulp, paper and lumber	1,025	518	69	440	3
Mining	825	529	56	230	10
Metal industries	900	347	45	497	11
All other industries	1,550	1,067	175	293	15
Financial institutions	800	520	110	154	16
Total, January 1, 1934	15,247	9,429	1,984	3,716	118
1933	15,140	9,295	1,941	3,784	120
1932	14,867	8,978	1,930	3,837	122
1931	14,753	8,865	1,940	3,840	108
1930	14,205	8,667	1,964	3,459	115
1929	13,649	8,330	1,909	3,305	105
1928	12,936	7,736	1,937	3,160	103
(In percentages)		%	%	%	%
Gov't. and municipal bonds		75.5	9.4	14.9	0.2
Railways		43.9	30.0	24.8	1.3
Public utilities		60.1	6.4	32.6	0.9
Pulp, paper and lumber		50.1	6.7	42.9	0.3
Mining		64.1	6.8	27.9	1.2
Metal industries		38.5	5.0	55.2	1.3
All other industries		68.8	11.3	18.9	1.0
Financial institutions		65.0	13.8	19.3	1.9
Total, January 1, 1934		61.8	13.0	24.4	0.8
1933		61.4	12.8	25.0	0.8
1932		60.4	13.0	25.8	0.8
1931		60.1	13.2	26.0	0.7
1930		61.1	13.8	24.3	0.8
1929		61.1	14.0	24.2	0.7
1928		59.8	15.0	24.4	0.8

Figures Differ From Previous Compilation

It will be noted that the figures differ from those published in The Financial Post Business Year Book in previous years, chiefly by the omission of Trading Establishments. The figures for total investment in wholesale and retail trade and in service establishments have never been more than very rough conjectures.

During the past six years foreign owned capital has increased by $618,000,000, while Canadian owned capital has increased by $1,693,000,000. In other words, for every $1,000 of foreign capital invested in Canada, Canadian capital has increased by $2,750.

Canada's Percentage Shows Increase

In terms of percentage the Canadian share has risen from 59.8 to 61.8; the British share has fallen from 15.0 to 13.0 per cent; and the American and other foreign shares have remained unchanged. It should be noted that these figures are not comparable with those published in The Financial Post Business Year Book in previous years, partly owing to a revised method of estimation, and partly owing to the exclusion of trading and service establishments from the compilation.

Province of Nova Scotia
4½% Twelve-year Bonds
Due November 30th, 1945

Price: 98.50 and interest, to yield 4.66%

These bonds offer investors a favorable opportunity to obtain long term and well secured bonds on an attractive interest basis.

Orders may be placed by telephone or wire at our expense.

Wood, Gundy & Company Limited

Telephone ELgin 4321 — 36 King St. West Toronto

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning and operating mills at

Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member
Amer. Soc. C.E. — Amer. Soc. M.E. — Eng. Inst. Can.

Consultation, Reports, Valuations, Estimates — Paper and Pulp Mills, Hydro-Electric and Steam Power Plants, Plans and Specifications

J. S. Mitchell & Company LIMITED

Geo. W. Murphy — *Vice-Pres. and General Manager*

Wholesale and Retail

Shelf and Heavy Hardware, Asbestos and Galvanized Roofing, Plumbing Supplies

Specializing in Mining, Mill and Contractors Supplies

Steam Coal, Hard Coal and Coke, Electric Supplies, Sporting Goods

78-80 Wellington St. North - SHERBROOKE, QUE.

THE dawn of 1934 finds the business and industrial pulse quickening throughout the Dominion. Each day Canadians are finding new evidence to justify their sustained faith in the future of their country. The combination of a wealth of natural resources, a unity of purpose and objective on the part of her people is creating a new era of advancement for Canada from which every Canadian will benefit. The National Life Assurance Company of Canada enters this period in such a strong financial position as to justify the faith of its thousands of policyholders that the progress of The National Life will parallel the progress of the Dominion.

A Few Figures from the 35th Annual Report

Payments to Policyholders.......$ 1,513,118.00
(75% of above item paid to living policyholders)
Assets 11,552,874.00
(68% of above amount made up of Government and Municipal Bonds)
Business in Force....... 55,532,044.00
Income 2,219,380.00
Business Issued and Revived....... 8,210,238.00

BOARD OF DIRECTORS
A. H. Beaton, *President*
Albert A. Macdonald, M.D., L.R.C.P. & S. (Edin.), *Vice-President and Medical Director*
Frederick Sparling, *Managing Director*
Rt. Hon. Geo. P. Graham — Col. A. E. Kirkpatrick
Hon. Rodolphe Lemieux, K.C. — Edward W. Bickle
Hon. E. M. Macdonald, K.C. — R. Emmet Cox

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA
Head Office — Toronto

News of Investment Markets

HIGH-GRADES FIRM; DEFAULTED BONDS IN WIDE ADVANCE

Corporation Bonds Active — Westerns in Mixed Movement

Continued firmness in gilt-edged bonds and wide advances among speculative corporation issues featured Canadian bond trading in the week ended Jan. 22. The rise of western provincial bonds halted.

Trading in corporation issues on which interest has been passed resulted in gains of up to eight points. Excitement over wide price changes in these bonds was as great as, or greater than, in stock trading. The rising trend was particularly notable in defaulted newsprint issues. This is shown below:

Advances in Corporation Bonds
Approximate Bids

	Jan. 23	Jan. 16	Gain
*Abitibi 5% '53	27½	24	3½
*Asbestos 6% '41	50	42	8
*Burns 5½% '48	35	32	3
*Donnacona 5½% '48	37	29	8
F. Players 6% '48 ..	82	79	3
*Fraser Cos. 6% '50 ..	37	30	7
*G. Lakes P. 6% '50 .	31	28	3
*L. St. John 6½% '47	42	37½	4½
Maple L. M. 5½% '49	36½	31	5½
*Price Bros. 6% '43	69	65	4
Gatineau 6% '41 ...	76	71½	4½
Duke-Price 6% '66 .	83½	79	4½

*Traded "flat," ie., without interest

In general, corporation bonds were firm at last week's prices or higher. Gains were legion.

Gilt-edged Bonds Firm

Trend of interest on gilt-edged issues was downward, as prices continued to rise. Factors favoring the advance included an increase in the discount on the Canadian dollar in New York, thus lifting threats of American selling; improved budget figures for the Dominion and for Ontario.

Decline in yields is shown below:

Average Yield on Seven High Grade Canadian Bonds

	%		%
Jan. 23	4.419	Jan. 17	4.430
Jan. 22	4.430	Jan. 16	4.437
Jan. 20	4.434	Jan. 15	4.444
Jan. 19	4.434	Dec 30	4.536
Jan. 18	4.431	Dec. 15	4.557

Provinces and Municipals

Release of figures on subscriptions to last week's Ontario loan of $40,000,000 indicate why it depressed the market for only a very brief interval. Half the bonds issued were 3-year 4's, presumably taken by banks. Of the remaining $20,000,000, $15,000,000 was for 15-year 4½'s and $5,000,000 in 6-year 4½'s. Dealers and institutions are believed to have obtained the greater part of the issue; so that there was no heavy pressure on the market because of sustained efforts to place bonds with investors. In this respect the loan contrasted with some slow Dominion loans that were floated at higher prices in relation to open market quotations.

Canadian-payment issues of the western provinces showed fractional declines in the week. This was offset by fractional advances for bonds payable in both Canada and the United States. The decline of the Canadian dollar was accounted the reason for this discrepancy between movements of the two classes of bonds.

Municipal financing was at a standstill during the week. It is expected, however, that borrowers will appear if present market firmness continues, particularly in view of proposed programmes of works, which would require long-term financing.

Metal Prices

New York—January 23—
Copper: Electrolytic spot and future, 8⅜c.
Silver: 44¼c.
London—January 23—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £37.
Standard spot, £33; future, £33 2s 6d.
Tin: Spot, £227 15s; future, £227 7s 6d.
Lead: Spot, £11 12 6d; future, £11 15s.
Zinc: Spot, £14 17s 6d; future, £15.
Silver: 19½d per ounce.
Gold: 132s 9d.
Canada—January 23—
Gold: $33.51.

Bond Tenders

12 o/c noon, Feb. 5, Township of Trafalgar.—$15,925, 5½ per cent, 30-installment, local improvement bonds; $1,500, 5½ per cent, 10-year serial, breakwater bonds. W. E. Ford, treas., Trafalgar.

12 o/c noon, Feb. 5, Township of Stoke, P.Q.—$20,000, 5½ per cent bonds, dated Sept. 1, 1933, redeemable serially from Sept. 1, 1934 to Sept. 1, 1953, for consolidation of debt. Henri Savage, sec.-treas.

CANADIAN WESTERN LUMBER
Statement of Lumber Manufactured, Sales and Price Realized

November	1932 Feet	1933 Feet	Increase Feet
Lum. mftd.	7,586,115	8,717,600	1,131,485
Lumber sold	7,103,985	7,174,900	70,915
Price realized	$77,774	$108,852	$31,078
Aggre. Mftd.* ...	90,861,613	102,736,338	11,874,725
Aggre. sold*	85,822,968	103,742,983	17,920,015
Price rlzd.*	$1,037,007	$1,358,414	$316,407

*From Jan. 1 to Nov. 30.

SAFETY IN INVESTMENTS

can only be obtained through a careful investigation of each individual security.

Before purchasing bonds, let our statistical department give their opinions or, if you prefer, offer suggestions based on facts.

H. R. BAIN & CO. LIMITED
Investment Bankers
350 Bay St. - Toronto
Adelaide 4274
Ottawa St. Catharines

Investment Notes

Significant Investors' Index Numbers
1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 115
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	183.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January ..	50.8	4.0	42.0	95.7	38.1	84.4	35.1	60.7	45.9	51.9
February..	46.1	5.0	41.0	89.5	35.4	82.4	34.2	58.0	40.4	48.1
March	46.6	3.2	39.1	89.8	34.0	80.8	37.9	59.1	39.9	48.2
April	50.6	3.8	45.9	101.7	32.9	87.8	39.9	69.7	40.4	53.9
May	68.2	5.5	63.1	127.0	48.2	106.2	66.8	88.6	49.5	67.1
June	86.5	9.3	72.9	146.9	58.4	121.8	112.4	107.1	56.4	79.0
July	102.3	12.3	82.1	162.5	63.4	143.3	173.7	122.3	61.5	88.4
August ...	95.2	11.2	71.3	153.2	62.5	130.8	160.9	117.2	56.8	83.6
September	88.6	10.8	75.8	156.1	65.2	124.9	168.6	119.1	58.5	83.5
October ...	75.7	8.9	73.6	133.6	61.6	115.1	134.8	103.6	48.5	74.5
November.	78.6	8.5	72.9	155.7	60.8	118.1	135.1	113.4	47.8	78.8
December..	79.3	7.8	68.4	143.9	58.6	117.1	148.5	111.4	47.3	77.5
Weekly Figures, 1934:										
Jan. 4	82.8	7.6	74.0	144.4	60.4	122.0	188.8	115.4	48.7	82.8
Jan. 11 ...	87.4	10.0	76.0	149.4	63.7	125.2	193.3	118.6	52.4	86.2
Jan. 18 ...	95.2	10.8	75.8	141.8	64.3	129.2	195.5	118.8	55.1	87.7

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. In 1933 index numbers are given monthly for the twelve months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Food Stocks Move Justified

MANY times during 1933 The Financial Post carried individual stories showing individual gains in business and profits to account for the move up in the food company stocks. The index shows at the top of this column that stocks of 18 companies doing business in food and allied products ran up from an index price number of 80.8 to 129.2 for the week ended Jan. 18.

This is now again checked in an interesting way by the results of a questionnaire sent to manufacturers all over Canada by Industrial Canada. The January number of this organ of the Canadian Manufacturers' Association publishes results which show that fully 75 per cent of manufacturers of food products state that their 1933 business has improved over 1932 and 50 per cent state they have found it necessary to add to their staffs.

Meat packers say domestic business is up from 10 to 20 per cent and exporters were greatly benefitted because export trade in bacon gained between 200 and 300 per cent in volume over 1932. Employment increased between 10 and 15 per cent.

Canners of fruit and vegetables had increased business in both domestic and export markets. Packers and canners of fish sold more in the export field. Flour millers had larger sales, but not enough to improve the investment situation.

Most manufacturers of biscuits and confections were not so successful in improving their position, though George Weston Limited, as shown by an article recently in The Financial Post, reports both its subsidiaries in England and the United States as doing exceedingly well and increasing earnings of the group.

Dairy manufacturers reported gains in production and employment. Profits were not up, it may be added. Manufacturers of miscellaneous food products, without exception, sent in reports of better business in 1933 with good prospects for 1934.

* * *

Packers and Dairies Busier

A. N. McLEAN, president Connors Bros., fish packers in New Brunswick, stated that the production had gone up about 50 per cent over the previous season because of improvement in business during the latter part of 1933. There has been a distinct improvement in export business since the dollar has dropped to below par with the pound sterling. Customers are buying further ahead.

To this experience may be added that of W. S. Loggie, exporters of canned lobsters and fish in Chatham, N.B., who state that they found business better in 1933 and had decided improvement in the export market owing to the increased value of sterling.

A food manufacturer in a Western city reports an improvement of 60 per cent over 1932 totals, but there has been no change in the number of employees. He expects better business in 1934.

Saskatchewan Co-operative Creameries, Limited, Regina, reports production of butter considerably higher in 1933 than in 1932 and they state that producers received an average of 1½c. a pound more for cream than in 1932. Their summer employment was greater. A creamery company in British Columbia reported a 25 per cent increase in business.

* * *

Silverwood's Expands

A $50,000 building, about 50 ft. by 100 ft., and three stories high, is planned by Silverwoods Limited, as an addition to the plant to accommodate the evaporated milk products and ice cream making equipment.

* * *

Soft Drinks Await Move

CHARLES GURD & CO., Montreal, state that as yet no marked improvement in the soft drink business has been noted in line with the general improvement. The export market is again becoming interested, but domestic business is still from a hand-to-mouth basis.

* * *

Textiles Jump

A 100 per cent record of business improvement is the story supplied by the manufacturers of textiles in answer to Industrial Canada's questionnaire. The improvement is general throughout all branches of the industry. More than one-half of the companies have increased the number of their employees. Manufacturers of cottons, wools, silks, both natural and artificial, have considerably increased. The textile column in the table at the head of this page shows a like doubling in market valuation.

In the large field of wearing apparel the manufacture of which is carried on extensively throughout Canada, there has been a very general improvement, both in sales and employment. The improvement was particularly noticeable in the hosiery manufacturing branch of the industry where gains ran from 15 to 75 per cent. Knit goods shared in the growth, as did men's clothing, haberdashery, gloves, foundation garments for women's wear. One welcome sign that industry is opening up is that overall sales have been growing. Underwear sales have been growing as well.

Housefurnishings Stimulated

IMPROVED sales are reported by most manufacturers of furniture and furnishings of all sorts, stoves and furnaces, kitchen equipment, brooms and brushes, radios, vacuum cleaners. There was also increased employment. A manufacturer of aluminum wear reported a 15 per cent improvement in business and a 10 per cent increase in the number of employees. Wringers and washing machines are going out to buyers in larger volumes.

* * *

Harding Carpets

HARDING CARPETS, Brantford, reports that their business has been improved by about 50 per cent over its low point. It increased the number of employees by about 10 per cent and regular employees are getting more work. Customers are buying on a hand-to-mouth basis, although price advances are imminent. The company's policy is to buy ahead of requirements.

* * *

Humberstone Sales Gain

THE Humberstone Shoe Co. Ltd., Humberstone, Ont., had an improvement of 10 per cent in the fiscal year. The company added 10 per cent more employees to the staff and in its own buying is following a forward policy.

Customers are still buying only for immediate requirements. The company considers this policy the best, as the customers can pay for their purchases.

* * *

Tire Companies Optimistic

MANUFACTURERS of rubber and rubber products, when replying to Industrial Canada, were almost without exception optimistic in their outlook. Increases in business were recorded in 80 per cent of the replies received and there were some increases in employment. In the case of some firms, the export market was a favorable factor and made up for losses of business in the domestic field.

One of the largest companies in the industry found that its low point for the year was reached in March, sales for the first three months of the year being 15 per cent below the corresponding period of 1932.

Then there was a steady improvement until by the end of October, the early loss had been made up. Both production and sales for 10 months ending October, were 3 per cent ahead of the corresponding period of 1932. Hand-to-mouth buying still obtained.

* * *

Machinery Firms Do Better

CONTRARY to what might be expected, manufacturers of machinery, tools and equipment showed a relatively high percentage of gains. Sixty per cent of replies showed gain in the last six months of 1933. Companies making equipment for textile factories, for instance, report an improvement in business of more than 45 per cent.

* * *

Parts Manufacturers Gain

THE makers of materials and partly processed products, which are sold to other manufacturers to be still further processed into finished goods, had a fairly satisfactory experience, 68 per cent of the replies received revealing some improvement in 1933 over 1932. Forty-three per cent of the manufacturers stated that they had added to the number of their employees. Products referred to include steel, castings, forgings and stampings, springs, sheets, abrasives, oil and coal. Nearly all expected that 1934 business would be better.

* * *

Gypsum, Lime Finds Gain

GYPSUM, Lime and Alabastine (Canada) Paris, Ont., reports that sales volume for the first three months of 1933 was only 50 per cent of 1932. Each succeeding month showed gradual improvement and records available to date reveal a reduction in volume for the year of slightly less than 20 per cent. The company has 10 per cent more employees on the payroll than at the beginning of 1932.

As the business is seasonal many fluctuations occur during the year in the number of employees engaged. Of late the company has adopted a limited policy of purchasing for future requirements approximately three months ahead. This proved a wise provision, as the company received advice of price increases on January 1 on certain commodities.

* * *

Implement Companies Mark Time

AMONG the agricultural implement manufacturing concerns referred to in Industrial Canada in the January number, the 1933 business was practically of the same value as 1932 business. One company does not anticipate a larger sales volume in 1934, but, due to the reduction of surplus inventory, does expect a two-thirds increase in manufacturing operations. In anticipation of rising prices, they are buying rather heavily in advance.

* * *

Service Station Expectant

SERVICE STATION Equipment Co., at Toronto, reports no improvement in business for 1933, but states it is looking forward to better business in 1934. The company is buying in advance its requirements and has added equipment for new lines.

B. C. REFUNDING IS STILL MOOTED DESPITE REBUFF

Government Reassured by Bennett's Statement on Default

From Our Own Correspondent

VANCOUVER.—There is little doubt that the British Columbia Government intends to go ahead with its plans to issue a refunding loan at a reduced rate of interest, regardless of the negative attitude of the Federal Government at the premiers' conference in Ottawa.

Spokesmen for British Columbia had been hopeful that the Federal Government would agree to guarantee the proposed refunding loan. They were disappointed, but they did not accept Ottawa's refusal as being an insurmountable barrier to their programme.

The intimation by Premier Bennett that no province would be permitted to default on its bonds was regarded as significant. It was taken as a clear assurance that if interest payments were endangered, the federal treasury would help out the province.

Need Assistance

Such federal assistance will undoubtedly be required in British Columbia, as the Government does not feel that it can carry another large current deficit in the bank. However, such an arrangement is not entirely satisfactory. There apparently is no suggestion that such federal loans would be at a reduced rate of interest, and British Columbia is averse to piling up additional interest charges, these being the major reasons for the province's refunding proposals.

Plan of Hon. John Hart, minister of finance, is to call in present loans and float a new loan in London at a reduced rate. If the bondholders object they will be paid back their principal. This programme, however, depends on the sanction of British banking interests and in view of the federal attitude there may be some difficulty in obtaining this. British bankers might not relish the idea of refunding a provincial loan that had neither the legal nor moral backing of the federal administration.

Refusal of the Federal Government to accept the Pacific Great Eastern Railway and incorporate it with the Canadian National System did not cause any surprise in political circles. It is taken for granted that the province will have to bear the cost of its road unless it can persuade some private interests to take it over.

THEMIS BUILDING PLAN IS APPROVED

Bondholders Pass on Capital Reorganization of Enterprise

From Our Own Correspondent

MONTREAL.—Holders of the 6½ per cent first mortgage bonds of the Themis Building Ltd. have approved a reorganization plan, which provides for the readjustment of the capital structure and the conversion of all classes of securities on the following basis:

Outstanding first mortgage bonds maturing March 1, 1942, will be converted and exchanged for an equal amount of five per cent first mortgage cumulative income bonds par for par.

To compensate for the unpaid interest coupons which fell due on September 1, 1933, and which fall due on March 1, 1934, and the reduction in the interest rate on the income bonds, the bondholders will receive two new preferred shares of a par value of $50 each and four new common shares of the company of a par value of $10 each, for each $1,000 principal amount of the outstanding bonds held.

Junior Securities Converted

The holders of the second and third mortgage securities have agreed to accept in exchange for the surrender of their claims as well as in satisfaction of the accrued and unpaid interest up to March 1, 1934, a total of $85,000 principal amount of new preferred shares of the company for distribution pro rata among them.

The outstanding preferred shares are to be exchanged for new common shares of the company of a par value of $10 each, on a basis of one common share for each existing preferred share held of a par value of $100 each. The present common shares of the capital stock of the company are to be exchanged for new common shares of a par value of $10 each, on the basis of one of the new common shares for each ten existing common shares held.

Tax Collections Down in Toronto; Record Arrears

City of Toronto's tax collections amounted to 77.1 per cent of the current levy in 1933, compared with 79.6 per cent in 1932. Collections of total arrears in 1933 amounted to 64.37 per cent of the amount outstanding at Jan. 1, compared with 68.82 per cent for 1932.

Arrears of 1933 and earlier taxes amounted to $11,955,930 at Dec. 31, 1933, the largest total on record. Only $3,624,352, or 30.31 per cent of this, however, represented arrears for years before 1933.

Toronto Tax Collections

Current:	1933 000's $	1933 %	1932 000's $	1932 %
Levy	36,379	100.0	37,522	100.0
Collected	28,047	77.10	29,868	79.60
Bal. Dec. 31 ..	8,332	22.90	7,654	20.40
Arrears:				
Jan. 1	10,173	100.0	8,080	100.0
Collected	6,549	64.37	5,561	68.82
Bal. Dec. 31 ..	3,624	35.63	2,519	31.18
Total at end of year ..	11,956		10,173	

A noteworthy feature of the collection statement is that outlying wards show much lower percentages of current taxes collected than older areas. The lowest ward percentage was 63.43 in 1933, compared with 66.44 in 1932. This record is similar to that of similarly located areas bordering Toronto, such as York township, where financial difficulties have been encountered partly because the entire area is suburban.

3 PRAIRIE CITIES' TAX RECEIPTS OFF

Regina, Saskatoon, Moose Jaw Collect Less Current Taxes But More Arrears

From Our Own Correspondent

REGINA.—Current tax collections for 1933 in Regina, Saskatoon and Moose Jaw fell below 1932 collections. Percentages for Regina are 59.2 collected in 1933 against 64 in 1932; Saskatoon 56.34 against 61.32 and Moose Jaw 47.92 against 51.30. In actual figures collections were, with 1932 in brackets: for Regina, $1,450,758 ($1,569,191); Saskatoon $1,444,245 ($1,587,204); Moose Jaw $402,784 ($527,556).

Collections of 1932 arrears were approximately the same; in Regina, $554,522 for 1933 and $544,621 for 1932, Saskatoon averaged $150,000 for both years but Moose Jaw showed a jump of $214,906 in 1933 against $160,705 in 1932.

A recent inter-city conference in Saskatchewan discussed difficulties of financing under the Arrears of Taxes Act, and one of the main points brought out was that of landlords allowing lands to go to tax sales while they continued rental collections. Saskatoon informed the conference there was no way for cities to collect taxes except by tax sales. Moose Jaw announced it had decided to use the courts to collect back taxes but so far no action has been taken. The general view was that more teeth should be put in the Arrears of Taxes Act to permit more power to collect.

CANADIAN RAIL BOND INTEREST WILL BE PASSED

Meighen Heads Committee For Bonds of Toronto Terminal

First mortgage bondholders of Canadian Rail and Harbour Terminals Ltd. will be represented by a committee consisting of the Rt. Hon. Arthur Meighen, Sir Henry Drayton and R. V. Le Sueur during receivership and subsequent capital reorganization of the company. This announcement follows closely on the statement that the company will not pay interest due March 1 on the $3,500,000 of 6½ per cent first mortgage bonds outstanding. London & Western Trusts Co. has been appointed depositary and deposits of bonds will be called for at an early date.

Frank Kennedy, president and general manager of the company, states that while earnings have been fairly well maintained during 1933 in comparison with levels in prior years there has been a reduction that does not permit the company to pay interest falling due March 1 and still leave sufficient working capital to enable the company to carry on its business with efficiency.

No Trade Creditors

Plans have been made to carry on the business of the company without interruption or inconvenience to customers and to retain the present management. The company has no trade creditors.

The company has been in default on junior liens since 1931 but has paid first mortgage interest to date although payment has been made in Canadian funds only since September 1, 1932. Since the company first started operation in 1928 revenue has never been sufficient to meet depreciation and service the heavy funded debt. Chief asset of the company is its modern terminal warehouse on the Toronto harbor front which is valued at $3,376,106 with $2,034,578 additional for land in fee and dock lease. In addition to $3,500,000 of first mortgage bonds, there is $2,000,000 of 7 per cent general mortgage bonds and $305,000 of 7 per cent debentures. With arrears of interest, this funded debt leaves no equity for $224,600 of preferred shares and common shares with book value of $1,324,600.

WANTED

Albert Bay 6½s 42
Architects Bldg. 6s 45
Balfour Bldg. 6s 43
Bloor St. George 7s 46
Clarendon Apts. 7s 46
Dominion Square 6s 46
Eaton Realty 5s 49
Godfrey Realty 6s 42
General Brock Hotel 6s 48
London Realty 6½s 50
Lord Nelson Hotel 4s 47
Mayor Bldg. 6½s 48
Metropolitan Bldg. 7s 44
Mtl. Ins. Bldg. 6½s
National Realty 7s 45
N'thern Ont. Bldg. 6½s 39
Ontario Bldg 6½s 42
Richmond Bay 6½s 47
St. James Court 6½s
Windsor Arms 6½s 47
Windsor Hotel 6s 47

We solicit your inquiries

A. J. Pattison, Jr. & Co. LIMITED
Established 1907
INVESTMENT BANKERS
3rd Floor, Royal Bank - Toronto, Canada

Advertising Linage Ahead in December

From Our Own Correspondent

MONTREAL.—Newsprint and advertising linage in United States metropolitan newspapers in 1933 aggregated 1,065,514,601 lines compared with 1,164,769,819 lines in 1932, a decline of less than 9 per cent. These figures do not tell the full story in the last quarter of 1933, the monthly returns recorded consistent gains over that reported for the same period in 1932. December advertising linage, for example, was 5.7 per cent greater than in December, 1932.

Display advertising linage last year was 7 per cent greater than in 1932. Media records report 81,167,906 lines of display advertising for 1933, against 75,819,882 lines in the previous year.

Classified advertising linage showed a small decline, amounting to less than 1 per cent. The actual linage was 15,547,786 in 1933, and 15,689,392 in 1932.

NOTWITHSTANDING

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make, many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs, which you can prevent by taking proper precaution now. Consult your Lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

Montreal Trust Company
TORONTO OFFICE:
61 Yonge Street, Toronto
J. F. Hobkirk, Manager

Advance Statement of the NORTHERN LIFE Assurance Company of Canada

Balance Sheet December 31, 1933

ASSETS

Real Estate and Agreements of Sale	$ 611,594.52
First Mortgages	2,986,974.14
Policy and Premium Loans	1,803,499.50
Bonds, Debentures, etc., at authorized value	3,009,645.51
Preferred and common stocks at authorized value	97,778.50
Interest and Rents due and accrued	192,527.39
Net premiums due and deferred	225,418.60
Cash on Hand	73,297.16
	$9,000,735.32

LIABILITIES

Reserve for all Policy Liabilities	$7,891,022.66
Amounts left on deposit	498,210.08
Taxes due and accrued	29,969.00
Home Office Savings Account	9,139.95
Balance Shareholder's Account	23,274.21
Other Liabilities	68,693.20
Capital Stock	250,000.00
Investment Reserve for Mortgages and Real Estate	114,280.00
Surplus	116,146.22
	$9,000,735.32

Business in force, $45,032,889
New Business paid for, $4,785,940

1933 STRONG POINTS—New Business written shows an increase of nearly 6% over 1932. Surplus Earnings are the highest and the Expense Ratio is the lowest in the Company's history, with Assets now increased to over Nine Million Dollars.

Printed Statements available after Annual Meeting to be held Feb. 12th.

Northern Life
ASSURANCE COMPANY OF CANADA
Established 1897 London, Ontario
C. W. GEDDES, General Manager R. G. IVEY, President

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT - 30th SEPTEMBER, 1933

To Additional Reserve against Inventories of Materials and Supplies	$ 12,000.00	By Operating Profit for the year after crediting withdrawal from Inventory Reserve of $75,000.00 and administration fees and expenses charged against Associated Company, and before making any provision for Depreciation	198,477.09
" Overhead Expense of own and Associated Companies' Non-Operating Plants	50,868.27	" Loss for the year carried down	21,565.19
" Interest on Bank Loan	157,174.01		
	$220,042.28		$220,042.28
To Balance brought forward from last year	$3,410,512.22	By Balance as per Balance Sheet	$ 3,432,077.41
" Loss for year brought down	21,565.19		
	$3,432,077.41		$ 3,432,077.41

BALANCE SHEET - - 30th SEPTEMBER, 1933

ASSETS

CURRENT ASSETS:
Accounts Receivable:
Trade.... $ 53,380.66
Sundry... 1,055.40
$ 54,436.06
Less: Reserve for Bad and Doubtful Debts... 6,846.74
$ 47,589.32
Stocks of Spirits, including Barrels... $6,178,353.55
Less: Reserve.... 138,988.99
6,039,364.56
Materials and Supplies.... 46,163.65
$6,133,117.53

ADVANCES TO AMOUNTS OWING BY AND SHARES IN ASSOCIATED COMPANIES AS REVALUED BY THE BOARD OF DIRECTORS:
Advances to Robert McNish & Co. Ltd., on account of Debenture Interest.... $ 226,855.79
Amounts owing by other associated Companies....... 1,509,438.34
$1,176,294.13
Less: Reserve.. 1,093,881.02
642,413.11
Shares—Consolidated Distilleries Limited........ 1.00
Shares—Canadian Industrial Alcohol Company of Manitoba Limited... 134,704.47
Shares—Robert McNish & Company Limited...... 1.00
Shares—Wine & Spirit Agencies Limited...... 200,000.00
977,119.58

FIXED ASSETS:
Real Estate, Buildings, Machinery and Equipment, per appraisal, May 31, 1925, plus subsequent additions at cost....... 4,145,604.58
Less: Reserve for Depreciation........ 1,136,860.48
$3,008,744.10
Goodwill, Trade-Marks, etc. 2,142,180.50
5,150,924.60

DEFERRED CHARGES TO OPERATIONS........ 29,516.49

APPROVED ON BEHALF OF THE BOARD:
(Signed) SHAUGHNESSY } Directors
(Signed) L. V. WRIGHT }

$12,290,678.20

LIABILITIES

CURRENT LIABILITIES:
Bank Loan—Secured under Section 88 of the Bank Act...... $2,207,400.00
Less: Cash in Bank.. 46,580.14
$2,160,819.86
Accounts Payable:
Trade, including estimated liability under purchase contracts outstanding....... $ 50,109.45
Sundry... 5,202.27
55,311.72
Accrued Charges, Taxes, Etc.......... 23,784.03
$2,239,915.61

FIVE YEAR—6 PER CENT FIRST MORTGAGE BONDS DUE JANUARY-1937....... $5,000,000.00
(Held by the Canadian Bank of Commerce as additional security for Bank Loan).

SHAREHOLDERS' ACCOUNT:
Capital Stock:
Authorized — 1,500,000 Shares without nominal or par value, divided into 1,000,000 Voting Shares and 500,000 Non-Voting Shares.
Issued—988,480 Voting Shares 123,435 Non-Voting Shares for a consideration of.... $13,482,840.00
(Since the last Annual Meeting, 19,000 Voting Shares were issued to certain employees for services rendered and for $84,140.00 cash under terms of employees' agreements dated August 1, 1925, and January 1, 1927.)
Deduct:
Profit and Loss Account—Debit Balance..... 3,432,077.41
10,050,762.59

Contingent Liabilities:
Under guarantee of Debenture Stock of Robert McNish & Co. Limited, amounting to $4,105,820.00 and Interest thereon.

$12,290,678.20

TO THE SHAREHOLDERS OF CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED:
We have examined the books and accounts of Canadian Industrial Alcohol Company Limited for the year ended September 30, 1933, and have obtained all the information and explanations we have required. Subject to the adequacy of the Reserve for Depreciation and to the fact that no provision for depreciation has been made in respect of the year ended September 30, 1933, in our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

231 St. James Street, Montreal,
January 8, 1934.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS
AUDITORS

The Financial Post

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

ADVERTISING RATES

Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO. LIMITED
481 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director, Telegraphic address Atabek, Lesquare, London.

THE FINANCIAL POST BUSINESS YEAR BOOK. Yearly, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. Yearly, $2.
THE FINANCIAL POST SURVEY OF MINES. Yearly $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES. Half yearly, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, JANUARY 27, 1934

IMPERIAL PREFERENCE PROVES VALUABLE TO EMPIRE

IN A comprehensive study of the effect of the Ottawa agreements upon the trade of Great Britain, the monthly review of Barclays Bank shows that great benefits have been obtained by all Empire countries and particularly by Canada. Figures published by the bank indicate that during the period when the import trade of the United Kingdom has been undergoing a sharp contraction, the Empire countries, with the exception of the Irish Free State, have definitely improved their position both relatively and in several cases, one of which is Canada, absolutely. The review affirms that the Ottawa agreements are, on the whole, operating to the advantage of the Empire countries.

Barclays Bank is less certain that Great Britain is benefitting to an equal extent. Certainly such a statement cannot be made on the basis of figures for the first twelve months of operation of the agreements. However, it is pointed out that an adequate trial of the agreements cannot be obtained under the abnormal conditions still prevailing. Ultimately, says the review, the test of their value will be whether they have succeeded in effecting a reciprocal expansion of trade over and above any falling off in business which may be experienced with the rest of the world.

While Canadian imports of British merchandise have fallen off during the depression, it should be remembered that recovery in Canada has lagged behind recovery in Great Britain and the purchasing power of our people is not by any means near normal as yet. Moreover, the full operation of the Ottawa agreements so far as Canadian imports is concerned has been impeded by numerous arbitrary valuations and customs regulations which may tend to disappear if more reasonable administration is provided in the reorganized customs branch at Ottawa.

DOMINION FINANCES IMPROVE

THE Dominion treasury received more revenue than it spent in December. For some months revenues have been increasing, due to imposition of heavier taxation last year, but it was only in December that total revenues for the current fiscal year reached figures comparable to those of the 1932-33 period.

Although the Dominion balanced its budget for December, and its revenue for the first nine months of the fiscal year equalled that of the same period of the preceding year, results for the nine months show a substantial excess of expenditures over revenues.

The figures for December and the nine months are:

	—December— 1933	1932	9 Mos. to Dec. 31 1933	1932
	$ 000's	$ 000's	$ 000's	$ 000's
Revenue:				
Current	28,570	22,357	245,472	244,681
Special	7	21	442	606
Total	28,577	22,378	245,914	245,287
Expenditure:				
Current	21,429	24,405	266,492	273,193
Special	3,354	1,310	24,803	27,817
Capital	329	877	8,939	13,596
Total	25,112	26,592	300,234	314,106

More active business in Canada in the latter months of 1933 appear to have accounted for most of the improvement, because expenditures have been cut less than five per cent.

The only method by which even a fairly close approach to a balanced budget can be achieved is to keep expenditures to a minimum in the meantime. And for 1934-35 it may be possible to forecast a balanced budget, if there is continued retrenchment of expenditures, and if revenues continue to improve.

An extensive programme of public works would do great damage to the financial progress that has been made by dint of heavy taxation and better business in the 1933-34 year. The heaviest increase in expenditures for the first nine months of the fiscal period was a rise of $3,190,000 in the public debt charges.

Public works would increase the debt and make the interest burden heavier. And as long as the Dominion does not fully amortize present works and does not allow for C. N. R. deficits in its budget, it cannot reasonably be stated that the budget is in balance.

The improvement in December and in the nine months was welcome. But the budget is a long way from being really balanced. And the first thing that should be done, if and when a surplus is created is to lighten taxes and thus give impetus to business recovery.

SKIMMING THE MONEY CREAM

THE promised revaluation of gold in the United States will give that country a profit of around $2,000,000,000.

If Canada follows suit, which is inevitable, the Dominion government will come in for a profit of $90,000,000 assuming the Dominion treasury expropriates the profit the banks would make on their gold.

The thing is so neat, so simple that politicians must wonder why they didn't think of it before.

Unfortunately the cream can be skimmed off once, but not a second time. The skimmed milk that is left may be financially palatable but the only way another similar profit could be taken would be to water the skim milk and the product would resemble the German mark and the Imperial rouble.

It is the same with inflation. It would be a simple matter to issue an additional $100,000,000 of currency with the idea that it would remain permanently out. The government would pick $100,000,000 out of the air. It would spend the money. It would create a standard of spending which people would want continued. Possibly another $100,000,000 could be found the same way. But it would be at the cost of grave economic disturbances which would cost us many times $100,000,000.

If we're going to revalue gold and print paper money don't let us assume we can keep on doing it.

Experience has proved that it is a process much easier to start than to stop. Maybe Mr. Roosevelt and Mr. Bennett have devised some sort of brake to keep this new streamlined money, if and when issued, from flying off the road.

BRITISH SHIPPING ASKS GOVERNMENT HELP

SHIPPING has become a very live issue in England. Before the war, Britain was the monarch of the seas in handling merchant freight. The German submarine campaign caused heavy losses to British shipowners. Then when shipbuilding was overdone by other countries, notably the United States, rate cutting on the seven seas made it difficult for English ship firms to come back to their former prosperity. In recent years, the glut of shipping has gradually been worked off as boats have been retired from service, but the severe shrinkage in world trade and the competition of nationalized ships and subsidized vessels of other countries has made things difficult for Britain. The result is that many British boats are lying idle, although Britain's tramp steamer tonnage has declined from 10,000,000 to 5,000,000 tons.

Despite that, British ships today carry 90 per cent of inter-Empire trade, 60 per cent of trade between the British Empire and foreign countries and 25 per cent of the trade between foreign countries alone. On this basis they are not doing badly.

British shipowners are asking for subsidies from the British government. One of their arguments is that the adoption of protection in Great Britain has reduced British imports of foodstuffs and other merchandise. The government subsidy to the British beet sugar growers is said to be costing the shipowners more than £300,000 a year in lost freight.

Nevertheless, one wonders if British ship owners aren't painting the picture as darkly as possible. A large proportion of the excess tonnage of which they speak is obsolete tonnage. When the Canadian Pacific Railway built the Empress of Britain, it was found that because of the speed of its voyages and the economy of its operation it could do the work of three former vessels at much less cost. The advances that have been made in shipbuilding design and particularly in development of power plants have made many older vessels antique and this applies to merchant ships as well as to great passenger liners.

The British have sold many of their obsolete vessels to other countries which are operating them only through governmental subsidy. While this has temporarily provided uneconomic competition for present British boats, it has also cleared the way for the construction of more economical new boats, able to compete, when they are built, even against the government subsidized vessels of other nations.

If British shipowners show in the near future the leadership that their predecessors showed before the war, they can quickly put themselves in a position to reap enormous benefits from any improvement in world trade. This in turn will be reflected in substantially increased business for the shipbuilding firms.

But Britain's pre-war shipping leaders did not run to Whitehall for help.

AGRICULTURAL DEPRESSION IS DUAL IN NATURE

THE crisis in agriculture is really the result of two depressions that have coincided. Mechanization in the great exporting countries has increased the production of grain. At the same time, while the human demand for grain is inelastic, annual consumption has been diminishing and gasoline has become the motive power of transport. Thus, had there been no depression there would have been a serious fall in grain prices.

In addition, agriculture has suffered from the general world depression, and the greater part of its troubles is due to this depression and to the same general causes.

This point, often lost sight of in discussions of world agricultural depression, is brought out by Sir Arthur Salter in a foreword to "The Planning of Agriculture," by Viscount Astor and Keith A. H. Murray.

Sir Arthur is somewhat sceptical of the present state reorganization of agriculture in Great Britain. He points out that while the dominant industrial interests of the country may for the moment be latent and disguised by the temporary and abnormal depression of agricultural prices throughout the world, so that an increase in agricultural prices to aid the farmers of Great Britain may be accepted by the general public, in the long run the British people will insist upon cheap food. With a return to more prosperous conditions, he fears that there will be a serious reaction among the industrial and urban minded people of Great Britain against the planned agricultural economy now being put into effect under Major Walter Elliott, Minister of Agriculture. Sir Arthur pays tribute to the energy and constructive genius of the Minister of Agriculture and expresses sympathy with his purpose. But he points to the obvious danger of constructing a permanent policy under the influence of the special conditions of the moment.

The British problem is one of intense interest to Canadians, for it bears directly upon our potential sales in that very large market.

EDITORIAL NOTES

The Globe, Toronto, suggests that we give the Canadian National Railways a chance to prove itself. How long does it take a railway to prove itself?

* * *

World events today suggest that there is much wisdom in the old observation: "The best form of government is a benevolent autocracy tempered by assassination."

* * *

Twenty years ago we used to hear a good deal about the "yellow peril" from Australian and American viewpoints. Now the yellow peril is the Japanese threat to the British cotton trade.

* * *

The New York Times published a letter from a reader who says that Canada has under way a canal from Georgian Bay to Hudson Bay, which will provide a short cut for American vessels to Europe. Well, one lives and learns.

* * *

Ottawa officials are drawing up legislation to create that central bank, state reports. For all the resemblance the final enactment is likely to bear to the first draft, it might be as well to let Parliament do all the drafting.

* * *

Is there a shorter name in the world than that of Sir U Ba, a member of the executive council of the governor of Burmah, who was made a K. B. in the New Year's honors list? The "U" is apparently a full name, and not an initial.

Post-Scripts

IMITATION may be the sincerest form of flattery. It is a tribute to Canadian wheat when American flour mills attempt to work the name of Canada into their brand names. But there is something disturbing about it too.

In Minneapolis, General Mills produces two brands using the name Canadian. One is Canadian Guide and the other is Canadian Quality.

Down in Oklahoma the Canadian Mill & Elevator Co., of El Reno, produced four brands using the word Canadian. They have Canadian's Best, Canadian's Boomer, Canadian's Cream of Wheat and Canadian's Seal.

There are mills in Virginia, Kansas, Oregon, Minnesota and Iowa, producing flour using the maple leaf as a trademark. Strange to say, among the thousands of flour brands in the United States, there is none called Manitoba although Manitoba hard wheat has a worldwide reputation. There are two Garnet flours, one produced in Minnesota and one in Missouri but apparently the names were adopted before Garnet wheat was developed in Canada.

TWO hungry Canadians walked into the Hotel Central in Panama City the other day. In this sleepy old Spanish town, they were keen in the expectation of enjoying a luncheon of strange and delectable tropical foods, quite different from anything they could get at home. The bill of fare, written in the Spanish of the country, promised well. It offered:

Ensalada de Remolachas
Sopa de Frijoles
Chuleta de Puerco Frito, Salsa Manzana
Papas Lyonesa
Mazorca
Pan Y Mantequilla
Cafe ó té.

Canny, they asked for a translation. Then they learned that this exotic bill of fare really comprised the following:

Pickled Beets Salad
Puree of Native Beans
Fried Pork Chop, Apple Sauce
Lyonnaise Potatoes
Corn on the Cob
Rolls and Butter
Coffee or Tea.

The Canadians decided that they might just as well be lunching in a Chinese restaurant in a prairie town.

Finally some gesticulatory conversation with a semi-comatose waiter produced a baked corbina and iced papayas. Panama's reputation as host was saved.

WHEN Premier R. B. Bennett was in Vancouver recently he addressed a gathering of young men and boys who had asked him what the future held in store for them. It was a pretty big order, and Mr. Bennett did not attempt a very definite reply. For this he was sharply criticized by two of the Vancouver newspapers which claimed that while "the young men had asked for bread Mr. Bennett had given them a stone."

George Kidd, former chairman of the board of the B. C. Power Corporation, was not so hesitant in giving a reply to the query. At one of the first public functions of the Vancouver Board of Trade, of which he had just been elected president, Mr. Kidd declared that a question such as the young men had propounded could be satisfactorily answered only by themselves.

"What these young men should do is ask themselves such a question and learn to depend on themselves," said Mr. Kidd. "Their only salvation is the opening up of new industries. The question of unemployment has always been a monotonous one, but during the last ten to fifteen years it has been acute. The young men of Vancouver are just like the youth of other countries. They want to know about the future and what it holds in store for them. I would like to say that one single remedy will not bring back employment to British Columbia, but a revival of trade in all industries and the opening up of new ones will."

Mr. Kidd referred to the new tobacco industry of the Sumas valley, British Columbia, as an example of the opportunities before young Canadians.

Sayings of the Week

"The most important part of life is leisure."—*Havelock Ellis.*

* * *

"Renaissance of character, that's what the world still needs."—*Thomas G. Masaryk.*

* * *

"It isn't getting lost that usually does the damage, it's losing our heads."—*Henry Ford.*

* * *

"We look backward too much. Thus we miss the passing moment."—*William Lyon Phelps.*

* * *

"There is no such thing as a country with a people satisfied with their lot."—*Rt. Hon. David Lloyd George.*

* * *

"No form of luck will carry a man far unless it is backed by hard-slogging endeavor." — *Sir Henry Deterding.*

* * *

"Theories are all very well but a theory is not a fact until you have proved that it will work." — *Gerard Swope.*

* * *

"Last year I was trying to believe that this was a good world; this year I can believe it without effort." —*John Erskine.*

* * *

"The creative ideas destined to remake society have always been the possession of the minority."—*Harry Emerson Fosdick.*

* * *

"Super-capitalism would have all men born of the same length, so that all cradles could be standardized."—*Benito Mussolini.*

* * *

"Ambition is like the bunch of carrots which costermongers hang in front of their donkeys' noses: it makes men go."—*Dean Inge.*

* * *

"A diplomat who marries a foreign wife thinks more about her opinions than he does about his country's interests."—*Lady Astor.*

* * *

"It is the general English conviction that to correct a man's pronunciation is to imply that he is no gentleman."—*George Bernard Shaw.*

* * *

"The more things a man is interested in, the more opportunities of happiness he has and the less he is at the mercy of fate."—*Bertrand Russell.*

* * *

"The equal and even enforcement of the law is the cornerstone upon which rests the whole structure of democratic government."—*Alfred E. Smith.*

* * *

"The total result of the machine age to date is a baffling economic disorder which keeps man in a perpetual fret and worry."—*Ida M. Tarbell.*

* * *

"The British National Government today remains the greatest steadying influence in the world both in trade and in conference."—*Rt. Hon. Ramsay MacDonald.*

* * *

"It is right that humanity, now no longer in its infancy, should make great experiments instead of living in the chains of tradition."—*Guglielmo Ferrero.*

* * *

"One cannot say that there is over-production in terms of requirements, but rather that there is over-production in terms of purchasing power."—*William E. Borah.*

* * *

"Talk of war is almost wholly the product of the activities of military and naval lobbies or of the munition makers."—*Dr. Nicholas Murray Butler, president of Columbia University.*

* * *

"The crux of the money problem is not how to create more credit in currency but how to find more work for that available at present."—*Sir John Aird, president of the Canadian Bank of Commerce.*

* * *

"I am still of the opinion that the maximum of economy (in our railway operations) can only be obtained by some form of administrative amalgamation."—*Sir Herbert S. Holt, president of The Royal Bank of Canada.*

* * *

"I am inclined to believe that for thinking men the certainty of an after life would have graver and perhaps more devastating effects upon us than certainty of extinction."—*Dr. Howard Lee McBain, Dean of the Graduate Faculties of Columbia University.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By J. L. BURTON-LEWIS

Canada and Pan-America

BECAUSE so many international conferences held in the post-war years have been downright failures, it was easy to accept the conclusion, widely-aired, that the seventh Pan-American Conference, held in Montevideo, Uruguay, last month, was also a "blank." Any impulse to dissent from this view was quieted by the realization that the six regular sessions that preceded it under the same auspices, from 1899 forward, as well as several special assemblies, never rose much above the level of "unfortunate incidents."

Yet evidence can be found to show that the Montevideo meeting was more successful than the average session of the kind.

After 45 years of effort, Pan-Americanism, at the December meeting, at last removed the chief snag which has in the past prevented establishment of an acceptable set of principles to govern the relations between the republics of the Americas. A start was made toward framing a joint economic philosophy—enough of a start to justify some curiosity as to whether Canada's commercial relations with the countries will be affected.

* * *

THE connection is a fairly direct one. As recently as 1931, when a Pan-American Economic Conference was held at Washington, a half dozen or more of the Latin countries taking part turned their eyes anxiously in the direction of Canada, wondering if she could not be persuaded to become their savior, and rescue them from the heel of "Yankee Imperialism." Talk of inviting Canada once again to join the Pan-American Union was revived. Action would have been taken but for the fact that the United States delegation, headed by former Secretary of State Henry L. Stimson, felt that such a step would have endangered the trade position of their country in Central and South America, and so prevented discussion of the plan.

Working behind the scenes, the Americans averted formal discussion of the proposal yet, even so, it was the big issue before the gathering. No official note was made of the move, but one delegate, representing not only his own country, Mexico, but at least four South American lands as well, travelled to Ottawa to see if this country would be prepared, if invited, to assert a measure of leadership in the affairs of the Americans. What reception he received has never been revealed. Presumably Canada, with no desire to antagonize the United States, held to the stand she has taken ever since the Union was set up, that, as a member of the British Commonwealth, she could not well join in a sectional grouping of countries, just as the United States repeated the contention that Canada, as a Dominion, could not reasonably belong to a federation of Republics.

Canada, however, continued to figure large in the thoughts of Latin America up until the time of the Montevideo meeting. Only when the United States renounced imperialistic purposes and methods did the countries taking part discard their belief that the Dominion might be a potential savior.

* * *

IN THE past, gatherings held under the auspices of the Pan-American Union have been described quite openly and accurately by the Latin countries as "Uncle Sam's Imperial Conferences." When discussion has been allowed of important issues, 20 countries have usually been found standing upon one side on any given question and the United States on the other, with the United States position prevailing almost invariably.

When sessions have concluded upon an amicable note, and major explosions have been averted, credit has always gone to "United States diplomacy" — another phrase for economic pressure—and there has been scant pretence that the powers taking part were actually in agreement. At Santiago, in 1923, a bloc of 14 countries failed in an effort to compel a reorganization of the Union which would give the Latin countries a larger place in its affairs and curtail the dominance of the United States. Mexico, Bolivia and Peru all failed to send delegates, because of profound differences with the United States. This was but one of several times when Pan-Americanism seemed on the verge of expiring.

Again in 1928, at Havana, only pressure by the United States and the forceful personality of Charles Evans Hughes, present chief justice of the United States Supreme Court, but then Secretary of State, averted fiery explosions. Some discussions were so ugly that they were erased from the records.

The last time when Pan-America as a whole felt any impulse to trust the United States was in 1906 when Elihu Root, then Secretary of State, attended the third conference at Rio de Janeiro, and at the same time visited most of the Latin countries. But that earlier mood, apparently in an even stronger form, was recaptured at Montevideo.

* * *

ANTAGONISM between the smaller republics and the United States, which has always stood in the way of formulating inter-American policies, has resulted chiefly from the developing interpretation of the Monroe doctrine. Originally devised as a policy to prevent European intervention in Latin America, the doctrine finally became an instrument of intervention for the United States and permitted it to follow a programme of imperialism which established its economic sovereignty in many South and Central American countries. In 1904 President Theodore Roosevelt declared the doctrine gave to the United States "international police power" in this hemisphere, and this corollary was used almost continuously for 30 years as an aggressive weapon in extending the economic dominion of the United States. This year, though, the second President Roosevelt renounced the claim of the corollary.

He took the definite stand, as did Secretary of State Cordell Hull, at Montevideo, that the Monroe Doctrine not only would be a safeguard against Europe, during his administration, but would also provide protection against the United States.

Despite the fact that the existing Cuban government, since replaced, was unrecognized at the time, and although U. S. customs collectors were still in Haiti and Santo Domingo, to ensure the servicing of private debts, as this declaration was made, the Latin countries were unquestionably convinced of the sincerity of Mr. Roosevelt and Mr. Hull. They accepted definitely the view that removal of the threat of intervention made possible a start toward establishment of a new era in inter-American relations. Intangible though this result may seem, it is the most concrete development ever achieved by a Pan-American conference.

* * *

FOR the first time 21 republics in the Americas are in the mood for collaboration. Spade work has been done in preparing an economic programme for all countries in this hemisphere, excepting only Canada, the West Indies and a few relatively minor European possessions. Willingness has been shown to go ahead with this programme at additional conferences to be held in Santiago and Buenos Aires later this year. Trade negotiations between the United States and Colombia and Brazil have convinced the other republics that the United States is ready to contribute something more than talk to this programme.

It is quite possible, of course, that the activity at Montevideo, and that planned for the balance of this year, will all prove abortive. But a "New Deal" for two continents has, at least, been brought within the realm of possibility.

Very Exciting

By HERBERT N. CASSON, in The Efficiency Magazine

Once, I paid a visit to a vast Republic and I saw strange things. Really, I fear to describe these things, lest my friends should think I was not sober and in my right mind while I was in that country.

In this Republic the people crave for excitement above all else, and recently its government has found a new way to bring excitement into business.

A new plan for carrying on business has been invented by a number of professors. One of the citizens told me about it.

"Our new idea," he said, "is not to let any man run his own business. Most of us are fed up with our businesses and we want a change.

"The new plan is like 'musical chairs.' The president makes a speech on the radio every month. Then we all change jobs.

"For instance, I am a steel manufacturer and I am now serving on a committee to run the millinery business.

"Our steel trade, at the moment, is being managed by a dentist, a professor of psychology and an army general.

"A friend of mine who is a grocer, is getting a great kick out of handling the ship-building yards. And so on."

"Are you all making any money?" I asked.

"Certainly not," he replied, "but you can't deny that it is very exciting."

"Stop Me If You Have Heard This One"

The young naval officer was showing the pretty flapper over the ship.

"Awfully interesting," she said. "And tell me, do you close the portholes when the tide rises?"

Other People's Views

Arms and the Press

Baltimore Sun—At the International Press Conference at Madrid a resolution was introduced condemning the practice of munitions firms of subsidizing newspapers. The resolution was promptly but quietly killed at the suggestion of the delegates from France and the Little Entente countries. This should occasion no surprise. The Comite des Forges and the Schneider-Creusot interests make up the armaments trust of France. They are powerful in finance, industry and politics. Why should they not also be permitted to own or control a few newspapers if it helps them sell their wares?

The C. P. R. Loan

Regina Leader-Post — By order-in-council the Government at Ottawa has approved the backing of a bank loan of $60,000,000 to the Canadian Pacific Railway.

The actual transaction took place several months ago but while it was reported in the press no official statement was ever issued by the Government on the matter. Now the official authorization has been given and the transaction is out in the open.

The C. P. R. borrows $60,000,000 from the banks and the Dominion Government guarantees the loan. The credit of the nation is placed behind the railway. Presumably the railway could not have obtained the loan, which is for five years, without the guarantee of the nation. The interest rate is five per cent.

The money is not borrowed from the Government but from the banks. The banks get the five per cent; the Dominion gets nothing except the indirect benefit that may accrue to the country as a result of the use of the money by the C. P. R.

Government backing of railway bonds is not a new practice in Canada. The record suggests that we have suffered from doing too much of it.

But the practice of the Government arranging credit for private companies is an interesting one. The question arises, who will be next to ask the Government to stand good for its notes.

Suggestions for Your Investments

The experience of 45 years in the field of investment is placed at the disposal of our clients.

This service is available at any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

Investment Suggestions

	Rate	Maturity	Price	Yield
Dominion of Canada	4 %	Oct. 15, 1945	96.50	4.38%
Province of Ontario	4½%	Jan. 16, 1949	98.50	4.64%
City of Hamilton	4¾%	Mar. 2, 1947	99.01	4.85%
City of Montreal	4½%	April 1, 1971*	94.00	4.85%

*Payable Canada and New York

We solicit your inquiries by wire or telephone

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161

Montreal — Telephones: Harbour 8276; Ottawa — Queen 878; London — Metcalf 1488; Hamilton — Regent 9019

Ship Potatoes to Cuba

C. H. Godwin, federal inspector of seed potatoes, estimates that about 20,000 barrels of seed potatoes will be leaving New Brunswick shortly for Cuba, following upon earlier shipments to the amount of 22,000 barrels.

Increase in Income, Assets, Reserves and Surplus

The following figures taken from our 1933 annual report show the results of the year's operation, and indicate the strong position of the Company at December 31st, 1933.

Business in Force	$35,184,825.00
Total Income	1,619,668.20
Total Assets	7,858,985.62
Reserves	6,829,362.00
Surplus to Policyholders	678,423.35
Payments to Policyholders and Beneficiaries in 1933	1,001,038.31

Complete Annual Report for 1933 mailed on request.

Continental Life Insurance Company

Head Office TORONTO — J. W. HOBBS, President.

Branch Offices maintained throughout Canada

BALANCE SHEET OF THE Toronto Mortgage Company For the Year Ending 31st December, 1933.

ASSETS

Office Premises in Toronto Street, unencumbered		$ 45,000.00
Real Estate held for sale		36,777.20
Mortgages at face value, less provision for possible depreciation—		
Principal	$4,248,730.75	
Interest due	13,645.38	
		4,262,376.13
Loans on Stocks		12,500.00
Securities of the Dominion of Canada or its Provinces	$ 209,678.21	
Securities guaranteed by the Dominion of Canada or by its Provinces	122,200.19	
Debentures of Canadian Municipalities	55,656.59	
Other Bonds and Debentures	23,200.25	
		410,735.24
Stocks fully paid up		117,850.00
Cash in Chartered Banks		162,205.77
Cash in Office		6,763.00
Total		$ 5,054,207.34

LIABILITIES

To the Public		
Debentures Sterling (£411,031:7:7)	$2,000,352.70	
Accrued Interest thereon	15,805.88	
Debentures Currency	584,673.55	
Accrued Interest thereon	11,814.62	
Deposits, Savings Accounts	134,706.63	
Reserved for Accrued Taxes	25,000.00	
		$2,772,353.38
To the Shareholders		
Capital Stock subscribed $986,500.00		
Capital Stock fully paid	$ 986,500.00	
Reserve Fund	1,165,002.00	
Unclaimed Dividends	63.25	
Dividend declared and unpaid, due 2nd January, 1934	29,595.00	
Profit and Loss Account, Balance carried forward	100,693.71	
		$2,281,853.96
Total		$ 5,054,207.34

PROFIT AND LOSS ACCOUNT

Dr.	
Interest on Sterling Debentures paid and accrued (£19,701:9:0)	$ 95,880.38
Interest on Currency Debentures paid and accrued	28,320.27
Interest on Deposits	4,143.01
Charges on Moneys borrowed and lent	7,589.69
Cost of Management, viz.:—Salaries, Directors' and Auditors' Fees, Office Rent, etc.	27,660.88
Dominion, Provincial and Municipal Taxes	24,603.31
Dividends on Capital Stock at 12%	118,380.00
Balance carried forward	100,693.71
Total	$ 407,271.25
Cr.	
Balance brought forward	$ 88,442.37
Interest on Investments and net rental from Office Premises, etc.	318,828.88
Total	$ 407,271.25

W. GILLESPIE, Manager.
THOS. H. WOOD, President.

We have audited the Books and Accounts of the Toronto Mortgage Company for the year ending 31st December, 1933, and have verified the cash, bank balances, and Securities of the Company. After due consideration, we have formed an independent opinion as to the position of the Company. In our opinion, so formed, and according to the best of our information and the explanations given to us, we certify that, with the reservations provided, the above statements set forth fairly and truly the state of the affairs of the Company and are in accordance with its books. All transactions of the Company that have come within our notice have been within the powers of the Company.

Toronto, 10 January, 1934.

ARTHUR J. HARDY
H. D. LOCKHART GORDON, F.C.A. } Auditors

The Week in Business

Prices Will Rise

COMMODITY prices are about due for a further boost, according to well-informed opinion in the United States. Just as the majority of persons in United States and Canada did not foresee the rise in prices which took place soon after the first steps of the Roosevelt programme were put into effect so the present developments, indicating an almost immediate rise in prices have gone unnoticed in many places.

According to the Whaley-Eaton Service, Washington, the Administration last week finally reached two definite conclusions (1) That actual inflation was absolutely required, and promptly; and (2) That this inflation could be brought about by utilization of the gold "profit" resulting from devaluation. Commenting on the devaluation of the United States dollar, the Whaley-Eaton Service states in part:

"The taking of the gold profit is formal notice that the 'pumping-in' process is going to be used. That is why there is a rush of American money to return home, and why foreign money is also beginning to turn to the United States. It should be noted, for one thing, that, no matter what happens to the foreign exchange, the impact of the new money (gold profit) must be first felt at home and exercise its greatest influence on interior prices."

* * *

Wheat Price Doubled

WHAT the increase in the Winnipeg price of wheat has meant to the country farmer is well exemplified in a report from Edmonton, which states that on January 12 wheat in that city reached 46 cents, just twice the low point touched in December, 1932. As freight rates have remained practically constant, small percentage increases in the Winnipeg price become more important the farther one gets away from this market.

* * *

No Relief From Sugar Tax

SPECULATION is currently being indulged in as to what will happen to the two-cent sugar tax when the 1934 budget is presented. Since this tax was imposed, protests have poured into Ottawa from sugar manufacturers and concerns which use considerable quantities of sugar in the manufacture of their products. Manufacturers who were double hit under the 1933 budget by the elimination of their 50 per cent exemption from sales tax and the imposition of the sugar tax—such as packers of jams, canned fruits, marmalade, etc.—have been loudest in their protests.

Canadian Grocer, Toronto, feels that, as the Government does not intend to go to the country until 1935, there is little likelihood of the sugar tax being reduced, particularly as it brings about $18,000,000 annual revenue to the treasury. An article on the situation in the current edition of that newspaper states, in part, as follows:

"If Prime Minister Bennett has any idea of going to the country in 1934, it would not be a surprise to see a considerable reduction in the excise sugar tax. But if he doesn't plan to hold a general election until 1935—and it isn't likely he will—there would be no necessity from the Government's standpoint of making any reduction in sugar because of the huge necessary revenue it brings in. A change could be made in the 1935 budget to 'appease the wrath' of the manufacturer and consumer."

* * *

Motor Show Successful

PRELIMINARY figures for attendance at the Toronto National Motor Show indicate that there was a 40 per cent increase in attendance over 1933, the 1934 figure being a record for this important display. In addition, The Financial Post was told by an executive of the Canadian Automotive Chamber of Commerce, sponsors of the show, that a definite check-up on sales made by exhibitors during the seven days of exhibition showed that the total was approximately double that of 1933.

* * *

Great Jump by Carloadings

CARLOADINGS figures for the second week of the year indicate considerably greater activity than a year ago, the most cheering advance being in l.c.l. merchandise and miscellaneous freight loadings, two items which had previously failed to reach the generally higher levels of other types of goods. The wheat movement was also substantial, being greater than in the second week of 1933. All other items maintained or increased their advances over 1933.

BUILDING PERMITS SHOW SLIGHT GAIN

December Figures Above Year Ago — 1933 Total Low

Building permits issued by 61 cities in December represented construction work valued at $1,976,000, as compared with $1,610,000 in November and $1,569,000 in December, 1932. There was, therefore, an increase of $366,000 or 22 p.c. in December as compared with the preceding month, and of $407,000 or 25 p.c. in comparison with the same month of 1932.

Detailed statements were received from some 50 cities, showing that they had issued almost 60 permits for dwellings valued at some $305,000 and over 400 permits for other buildings at an estimated cost of about $1,500,000. There was also a permit taken out in Brantford for engineering work at a cost of $36,000.

New Brunswick, Quebec and Ontario recorded increases as compared with December, 1932, in the value of the building authorized. In this comparison also, Quebec reported the most marked gain of $577,300 or 214 p.c.

Of the four largest cities, Montreal registered increases, both as compared with November, 1933, and December, 1932; Toronto showed an increase in the former, but a decrease in the latter comparison. On the contrary, Winnipeg reported a decline as compared with November, 1933, but an increase over December, 1932, while Vancouver showed a reduction in the value of the building permits issued in each comparison.

Building permits in 1933 totalled in value $21,630,000 compared with $42,319,000 in 1932. On the base 1926=100 the index of value in 1933 was 13.8 while the average index of wholesale prices for building materials was 78.3.

Business Conditions in Canada

PLYMOUTH AND 4-CYLINDER FORD CHEAPEST SEDANS

Additions to $1,000 to $1,200 Field is Feature of 1934

Comparative prices of four-door sedan models of the leading makes of automobiles sold in Canada show that Ford with a 4-cylinder assembly at $893 and Plymouth at $903 in Toronto plus license and the cheapest for 1934. Only three other makes—Ford V-8, Chevrolet and Terraplane—have sedans priced below $1,000.

Feature of 1934 as far as prices are concerned is the increase in the number of makes with sedans in the $1,000 to $1,200 price field. New makes in this class include the Studebaker 6 (taking the place of the Rockne), Hudson 8 (replacing the Terraplane 8) and the Graham 6. In the last case this small car by Graham marks a new departure by that company.

New Cars Around $1,300

Chrysler, in addition to the Airflow models, has continued with a standard 6 along the lines of the 1933 car and this model is priced at $1,275 in Toronto. It can, therefore, either be placed in a class with the Auburn 6 at $1,295, or these two cars can be ranked at the top of the $1,000-$1,200 class. Prices have not been announced for the new Oldsmobile 6, but it is expected that this car will join Chrysler and Auburn, somewhere between $1,200 and $1,500.

The $1,500 class includes representatives from all the leading manufacturers, all the sedans being around the same figure. Oldsmobile, Graham, Nash, Studebaker and Hudson have models. DeSoto Airflow will be priced around $1,650, Auburn 8 at $1,690, and the small Buick at $1,691. Next comes the Airflow Chrysler 6 at $1,725.

Class of $2,200

The Chrysler 8 Airflow, the Graham equipped with supercharger and the Buick 34-60 are closely grouped near $2,200, followed at higher levels by LaSalle, Packard, Cadillac and Pierce Arrow.

1934 Prices of Leading Automobiles

		—F.O.B. Toronto— (License Extra) Standard	De Luxe
Ford	4	$ 893	$ 935
Plymouth	6	903	1,015
Ford*	8	927	969
Chevrolet*	6	987	1,056
Terraplane 112" w.b.	6	999	1,058
Dodge	6	1,035	1,195
Terraplane 116" w.b.	6	1,106	1,155
Studebaker	6	1,160	1,235
Hudson 116" w.b.	8	1,193	1,259
Graham*	6	1,195	1,365
Pontiac*	8	1,199	1,275
Nash	6	1,195	1,365
Chrysler Standard	6	1,275	....
Auburn	6	1,295	....
Oldsmobile*	8	1,453	1,553
Graham	8	1,525	1,665
Nash	8	1,525	2,165
Studebaker	8	1,585	1,700
Hudson 123" w.b.	8	1,555	....
De Soto	6	1,650	....
Auburn	8	1,690	....
Buick* "34-50"	8	1,691	1,811
Chrysler Airflow	6	1,725	....
Chrysler Airflow	8	2,150	2,550
Graham Supercharger	8	....	2,165
Buick* "34-60"	8	2,212	2,328
Buick* "34-90"	8	3,155	3,283
Pierce Arrow	8	5,150	5,400
Pierce Arrow	12	5,750	6,000
Packard	8	4,390	4,640
Packard Super	8	5,610	5,860
Packard	12	6,670	6,920
Cadillac 128" w.b.	8	4,300	4,550
Cadillac 136" w.b.	8	4,700	4,950
Cadillac	12	....	7,000

*License included.

Steel Output Up 20 p.c. Prices Steady In 1933

Steel ingots and direct steel castings produced in Canada amounted to 49,557 tons in December, or 15 per cent over the 43,099 tons of November. The increase was in the ingot grade which advanced to 48,308 from 41,711 while the tonnage of castings dropped to 1,250 from 1,388.

Output during 1933 amounted to 407,981 tons, an increase of 20 per cent compared with the 339,346 of 1932. The improvement was mostly in the ingot grade which advanced to 392,095 from 328,370 but steel castings also rose to 15,886 from 10,976.

Quotations for iron and steel products in Canada held comparatively firm throughout the year. Although a definite improvement in production began in June, the upward tendency of prices was not apparent until later. This was given support by considerable activity in the mining and automobile industries but demand for construction materials and railway supplies was light. No. 1 and No. 2 foundry pig iron delivered at Montreal were each $22 per gross ton in December, No. 1 foundry was $20.50 and No. 2 $20 delivered at Toronto, making no changes from quotations for the previous month.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Canadian Linen Co., Ltd., has let a contract for a $10,000 addition to its present building in Vancouver to be used for the manufacture of linen. As the Canadian Linen Co. is at present in the business of renting and laundering linen this plant addition is also the first step in a new industry.

Business Briefs

Failures under the Bankruptcy Act for the week ended January 13 numbered 47 as compared with 42 in the corresponding week of 1933. Figures for the first two weeks of 1933 and 1934 are 82 and 73 respectively.

Lumber Exports by water from B. C. set a new high record for the year in November with a total of 71,691,000 ft. b.m. This was two and one-third times as great as for the corresponding month of 1932.

Carloadings for the week ended Jan. 13 were 41,389 cars, 8,763 or 27 per cent greater than in the corresponding week of 1933 and 7,027 cars greater than in the previous week. Despite the increase over the previous week, the seasonally adjusted index number declined to 75.77 from 77.10.

Ranks of Unemployed Reduced By 300,000

Employment Conditions in 1933 Steadily Improved from Low Point in April — Construction, Manufacturing and Logging Chief Factors in Advance

Reversing the downward trend of the three previous years, employment in Canada in 1933 rose steadily from the low point recorded on April 1 until the close of the year. Actually, the index of employment in industry as compiled by the Dominion Bureau of Statistics from monthly returns made by firms employing close to 50 per cent of all wage-earners in Canada, increased 20.8 per cent in the eight months' period while it is estimated that the ranks of the unemployed were reduced by about 300,000.

Owing to the extremely low level of employment during the first four months of the year, the average employment during 1933 was slightly lower than obtained in 1932; in that year, however, December employment was about 10 per cent lower than that of January of the same year as compared with an increase of 7 per cent between those two months of 1933.

Manufacturing Leads

Three groups, construction, manufacturing and logging, were the chief contributors in this increase. While the increases in construction and logging are important, the former chiefly resulted from increased relief work and the latter took place only in the closing months of the year as a result of expanding overseas markets; for the improvement that started in May and continued throughout the year, manufacturing takes the major credit.

Textile Group Active

Although the average of employment in manufacturing industries was not as high in 1933 as in 1932, there were a number of individual industries in which the reverse was the case. Among those industries recording higher average employment than in 1932, the paper, woollen goods, silk, boots and shoes, agricultural implements, automobile and non-metallic mineral industries were probably the most important.

The textiles group as a whole showed a slight decrease in average employment compared with 1932 but the woollen goods industry had a 5 per cent increase in payroll over the year and the silk industry one of 7 per cent. Increases in other industries, though small, were important when the low levels of the first three months of the year are borne in mind.

Employment in Canada, by Areas, 193*

	Increase, Apr. 1 - Dec. 1 Workers	Index Nos. %
Maritimes	10,500	19.3
Quebec	52,000	26.4
Ontario	56,900	19.2
Prairies	13,600	14.1
Br. Columbia	13,900	24.1
Canada	146,900	20.8

* Based on returns of firms employing approximately 50 per cent of wage-earners in Canada. The figures for total increase can therefore be approximately doubled, but the same proportion does not necessarily exist as far as economic areas are concerned.

Increases in Employment by Industries, 1933*

Industry	Increase, Apr. 1 - Dec. 1 Workers	Index Nos. %
Manufacturing	41,789	11.1
Logging	36,275	367.7
Mining	6,606	15.4
Communications	(dec.) 923	(dec) 4.1
Transportation	6,665	7.5
Construction	46,319	72.9
Services	1,577	6.1
Trade	8,592	10.7
All industries	146,900	20.8

* Based on returns of firms employing approximately 50 per cent of wage-earners in Canada. Figures for total increase can be approximately doubled but the same proportion does not necessarily exist as far as individual industries are concerned.

Leading Cities Improve

On the whole, employers in the eight cities for which separate tabulations are made — Montreal, Quebec, Hamilton, Windsor, Toronto, Winnipeg, Ottawa and Vancouver —and in the Maritimes, in which none of these cities are situated, reported smaller average payrolls than in 1932. The encouraging feature of the year, however, was that activity was generally greater at the end than at the beginning of the year and that in all but Montreal and Quebec, employment was greater than at December 1, 1932.

Summary of employment during the year in the Maritimes and the leading Canadian cities follows:

Maritimes—Reductions were noted during the first two months, followed by 6 consecutive monthly gains. September, October and November saw slight declines but the gain on Dec. 1 carried the index to 93.4, its 1933 high. During the first seven months of the year employment was consistently lower than in the corresponding months of 1932 but from then on this was reversed. Logging was the most important factor in the improvement in the Maritimes.

Montreal—Textile, tobacco, beverage and iron and steel plants showed the greatest improvement during 1933. Communications and trade consistently afforded less employment than in the corresponding months of 1932, while construction was likewise slacker. A 15 per cent improvement was noted between March 1 and Oct. 1, after which there was a slight recession. The mean index for the year was 81.0 as compared with 88.0 in 1932.

Quebec City — Construction and transportation both afforded greater employment during 1933 than in the previous year. Manufacturing was generally quieter, leather factories reporting lower payrolls throughout the year. The average index during the year was about 6 per cent below the 1932 figure.

Toronto—Employment showed moderate improvement during eight months of the year, comparing favorably with gains in only two months of 1932. At the close of the year the index was between five and six points higher than at the beginning but the mean of 87.5 compared unfavorably with 95.2 in 1932. Trade was the only activity which was fairly well maintained throughout the year, manufacturing generally showing some falling off from 1932 levels, although there was considerable improvement toward the end of the year.

Ottawa — There were slight but steady advances in employment from March to November, when the index was nearly ten points higher than at the first of the year; on Dec. 1 little general change was noted but the index was slightly lower than at the same date of 1932. The mean index stood at 90.2 as compared with 99.3 in 1932.

Hamilton—Employment increased during seven months of the year, with the result that the index at Dec. 1 was 9.3 points higher than at Jan. 1; it was also higher than at Dec. 1, 1932. The average for the year was lower, however, being 74.6 compared with 83.7 in 1932. Improvement in textiles and iron and steel accounted for a higher level of employment in manufacturing in the last four months of the year. Construction and trade were not so active as in 1932.

Windsor—The index number of employment averaged 75.9 in 1933 as compared with 78.4 in 1932. Manufacturing showed little general change but the improvement over the latter part of the year was the result of improvement in the automobile industry.

Winnipeg—The city was affected by poor agricultural prices and markets. The mean index for the year was 80.2 compared with 86.6 in 1932. All types of activity recorded lesser employment during the year. The index at Dec. 1 was higher than at the same date of 1932, however.

Vancouver—Improved lumber trade both directly and indirectly helped increase employment in Vancouver throughout the year after uninterrupted monthly declines in 1932. The index averaged 83.0 as compared with 88.5 in 1932.

December Iron Output Increases Gain On Year

Production of pig iron in Canada was 38,612 tons in December compared with 29,592 in November and 27,031 in December a year ago. This is a gain of 43 per cent above the 1932 total. The increase over the previous month was 30 per cent and was mostly in basic iron. Blast furnace charges during the month included 66,414 gross tons of iron ore, 22,954 short tons of limestone and 41,601 short tons of coke. Of the limestone, 3,900 tons were quarried in Canada and of the coke 36,601 were carbonized in Canada, 17,628 being from Canadian coal.

A total of 229,076 tons of pig iron was produced in Canada in 1933, an increase of 59 per cent over the 144,130 tons of a year ago. The output included 190,491 tons of basic iron, 22,429 of foundry iron and 16,156 of malleable iron. Of the basic iron, 177,847 tons were made for the further use of the producers, the balance of the year's output being intended for sale.

Commodity Prices

WHEAT showed some weakness toward the end of last week after rising steadily during the first two weeks of the year and opened the current week soft. Other commodities have drifted during the past few days, apparently awaiting the outcome of President Roosevelt's devaluation programme. It should be borne in mind that sources close to Washington are emphatic in declaring that a general commodity price rise is certain soon, forces now being mustered to assure this.

Commodity Prices at Wholesale‡

	Week ending Jan. 20	Previous week	Same week last yr.
Cattle, cwt.§	$6.00	$6.00	$4.75
Copper, lb.	.08¼	.08	.05
Cotton, lb.	.1160	.1125	.0625
Rubber, lb.	.0976	.0891	.0296
Sugar, raw, lb.	.0320	.0316	.0267
Silk, lb.	1.42½	1.42½	1.22½
Wheat (Man.) bu.‡	.65⅝	.67⅞	.43⅞
Hides, lb.	.10	.10	.05½
Coffee, lb.	.09⅝	.09⅝	.08¼

Weekly Indices§

N. Y. Annalist■	103.2	102.8	82.7
Fishers'*	72.1	72.0	†71.3
N. Y. Journal of Comm.▲	72.1	71.9	54.7
Crumps (Brit.)	65.4	64.7	†63.4
Can. (D.B.S.)*	88.1	88.0	....
U. S. Labor*	71.0	70.8	61.9

†Average, 1933. •Jan. 6.
■Week to Jan. 16. §Jan. 18.
▲Jan. 13. ‡Jan. 22.
*Dec. 30.

Monthly Indices§

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) W'sale (Dec.)	69.0	68.7	64.0
Retail (Dec.)	78.4	78.1	81.4
U. S. Labor (Nov.)	71.1	71.2	63.9
Gt. Brit.* (Nov.)	69.6	69.3	68.2

§N. Y. Annalist base, 1913, others 1926 — 100.
*Board of Trade Index, converted from 1913 base.
‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

B. C. CELEBRATES 100TH SAILING TO WEST INDIES

Trade Worth $5,000,000 Achieved in Past 8 Years

From Our Own Correspondent

VANCOUVER — Shipping men of this port met the other day to celebrate the 100th sailing from the British Columbia coast of a steamship to the British West Indies under the house flag of the Canadian Transport Co.

This organization has been developed during the last eight years with a minimum of ostentatious publicity into an important factor in the upbuilding of trade between Canada and the British West Indies, especially with regard to the Pacific ports of Canada.

Trade Worth $5,000,000

H. R. MacMillan, president of Canadian Transport Co. spoke of the formation of the Vancouver-British West Indies Line, the subsidiary which has been chiefly responsible for the business. Mr. MacMillan personally has played an important role in development of this trade channel. Although president of B. C. Packers and the head of various lumber and shipping enterprises, Mr. MacMillan has devoted a good deal of attention to the West Indies trade and under his direction the Vancouver-British West Indies Line has carried 257,000 tons of cargo from British Columbia valued at more than $5,000,000.

Harold Brown, manager of the Union Steamship Co. and former president of the Vancouver Board of Trade, complimented the Canadian Transport Co. for pioneering the new route and alluded to the difficulties of competing with United States shipping, one American company being subsidized by Washington to the extent of $23,000 a voyage. Another U. S. company received $300,000 a year.

The motorship Lycia, which has already sailed 132,000 miles shuttling between Vancouver and the West Indies, will make the company's 100th sailing.

Cattle on Farms Increased Other Animals Decrease

Decrease in the number of horses, sheep, kine and poultry on Canadian farms is estimated by the Dominion Bureau of Statistics which, however, reports increase in total number of cattle on farms at June, 1933. The number of horses showed decrease in all provinces except British Columbia, when a slight increase is shown while total cattle have increased in all provinces except Quebec and Ontario. Sheep show decreases in all provinces except Manitoba and Saskatchewan and swine have decreased in all provinces. In every province except Ontario there was a decrease in the number of poultry.

As compared with 1932, horses on farms decreased by 109,531 while total cattle show an increase of 364,900. Sheep, in 1933, decreased by 258,700 and swine decreased by 838,400. Turkeys, geese and ducks show increases over last year but decrease in number of hens and chickens was 4,899,400 which made a net decrease for all poultry of 4,755,800.

	1933	1932
Horses	2,984,095	3,093,626
Total cattle	8,876,000	8,511,100
Sheep	3,385,800	3,644,500
Swine	3,800,700	4,639,100
Hens & chickens	54,943,400	59,482,800
Turkeys	2,580,200	2,478,300
Geese	962,900	948,400
Ducks	837,900	810,700
Total poultry	59,324,400	64,080,200

Turkey Exports Higher To U. K. in Past Year

Total export of turkeys from Canada, largely the west, totalled 52 cars this year, exceeding slightly 1,000,000 pounds, as compared with 41 cars in 1932 containing 830,000 pounds for Britain. Included with the fall shipments was 72,000 pounds of small poultry.

Government inspection was provided for 10,000,000 pounds of dressed turkeys in the Dominion during the year just closed, he said, a total of 506 cars, as compared with 214 cars or 4,276,000 pounds when grading was started in 1929.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1934	1933	Cumulative Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Jan. 13)	41,389	32,626	75,751	59,408
C. P. R. gross earn. (Jan. 14)	$ 1,995,000	$ 1,551,000	$ 3,893,000	$ 3,149,000
C. N. R. gross earn. (Jan. 14)	$ 2,633,160	$ 2,166,365	$ 4,992,858	$ 4,166,379
	Monthly 1933	1932	Cumulative Jan. 1 to date 1933	1932
C. P. R. net earn. (Nov.)	$ 3,585,809	$ 3,324,291	$ 17,615,707	$ 17,779,235
C. N. R. net earn (Nov.)	$ 1,548,099	$ 736,600	$ 4,998,057	$ 6,031,155
Iron and Steel—				
Pig iron, tons (Dec.)	38,612	27,031	229,076	144,130
Steel, tons (Dec.)	49,557	27,313	407,981	339,346
Automobile prod. No. (Dec.)	3,262	2,112	65,924	60,789
Auto Vehicles—				
Passenger, sales, No. (Nov.)	989	880	88,768	97,773
Trucks & buses, sales, No. (November)	326	311	5,597	7,059
Auto. exports, No. (Dec.)	1,657	1,132	20,900	13,022
Construction—				
Building permits (Dec.)	$ 1,975,855	$ 1,569,255	$ 21,629,783	$ 42,319,397
Contracts (December)	$ 8,207,600	$ 4,190,000	$ 97,289,800	$ 132,872,400
Newsprint—				
Production, tons (Dec.)	175,304	138,682	2,017,004	1,907,566
Exports, tons (Dec.)	185,636	136,998	1,838,098	1,826,758
Sugar—				
Imports, raw, lbs. (Nov.)	22,383,200	26,055,200	474,243,200	652,264,500
Melt. & ship., lbs.*	94,458,214	78,707,156	732,568,448	816,652,149
Manufactured, lbs.*	139,000,893	122,456,630	824,909,160	894,944,537
Flour—				
Production, bbls. (Nov.)	1,827,340	1,942,844	12,916,177	13,455,365
Wheat flour exp., bbls. (Dec.)	418,183	492,033	5,570,136	5,131,781
Other Industrial Indices—				
Lumbering: Plank & board exports, mill. ft. (Dec.)	99.39	38.54	1,018.77	675.05
Boots and shoes, pr. (Nov.)	1,371,253	1,361,334	18,276,487	16,901,154
Petroleum, imp., crude gal. (November)	91,761,448	51,705,764	789,422,732	857,034,459
Cotton, imp., raw, lbs. (November)	19,058,000	15,376,000	99,895,192	83,537,000
Rubber, raw, imp. lbs. (Nov.)	4,892,000	3,568,000	39,311,451	44,745,675
Coal, imports, tons (Nov.)	1,424,608	1,508,202	10,578,293	10,779,792
Gasoline sales, gals. (Sept.)	61,620,000	63,441,000	379,947,000	389,889,000
Trade—				
Imports (December)	$ 35,367,553	$ 28,961,212	$ 401,254,312	$ 452,614,257
Exports (December)	$ 50,928,856	$ 42,615,796	$ 531,474,179	$ 493,808,841
Labor—				
Employment Index (Dec.)	91.8	83.2	.....	.....
Exports (November)	$ 60,384,590	$ 45,944,520	$ 480,545,323	$ 451,193,045
Wheat exports, bus. (Dec.)	17,457,963	27,735,999	191,968,861	228,219,755
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,702,558	1,448,227	15,843,841	14,429,791
Finance—				
Failures, No. (October)	144	199	1,729	1,995
Failures, Liabilities (Oct.)	$ 2,321,926	$ 3,439,220	$ 28,669,253	$ 34,506,706
Bank debits (Dec.)	$ 2,492,000	$ 2,085,000	$ 29,981,544	$ 25,844,683
Bond sales (Dec.)	$ 10,000	$ 9,067,200	$ 528,401,089	$ 479,366,270
Insurance sales (Dec.)	$ 37,376,000	$ 33,483,000	$ 364,050,000	$ 403,923,000
Automobile Financing—				
Used cars (November)	$ 540,466	796,043	9,695,432	12,465,467
New cars (November)	$ 461,732	538,264	9,723,932	12,267,926

* Four weeks period, Nov. 11 to Dec. 2. †(000's omitted).

AUTO OUTPUT HIGH IN DECEMBER

Production for Domestic Use Lower In 1933 But Export Up

Production of 3,262 automobiles in Canada during December marked an increase of 42 per cent over the 2,291 cars of the previous month and 54 per cent over 2,112 cars made in December a year ago. The improvement over November was accounted for by advances in the output of passenger cars from 1,503 to 2,171 and trucks from 788 to 1,091.

During 1933 the number of cars made for use in this country amounted to 43,178 units and the number made for export was 22,746, a total of 65,924 cars. In the previous twelve month period 10 per cent more cars, or a total of 47,615 units, were made for sale in Canada, but the number made for export was 42 per cent lower at 13,174. The apparent consumption of automobiles in Canada during 1933, as calculated by adding the output of 65,924 cars to the 1,776 cars imported and deducting the exports of 20,000 cars, amounted to 46,800 cars. Comparative consumption figures for other years amounted to 49,216 in 1932 and to 76,758 cars in 1931.

A calculation based on the figures for several years past shows that the number of cars withdrawn from use each year amounted to approximately 8 per cent of the number of licenses issued during the preceding twelve month period. Applying this percentage it appears that ordinarily about 88,000 cars would have been replaced in 1933 and 95,000 in 1932, whereas the actual consumption figures were 46,800 and 49,216 respectively.

PROTECTED SECURITY

HOWEVER adequate in volume your assets may appear, only the sound protection of able and experienced management can ensure for your dependents the full benefit of your estate. Ask us to show you the many advantages of efficient CAPITAL TRUST administration.

CAPITAL TRUST Corporation Limited

MONTREAL OTTAWA TORONTO

STEEL STRUCTURES
PLATE & TANK WORK
CAISSONS, BARGES
RAILWAY & HIGHWAY BRIDGES
SWING & BASCULE SPANS
COAL & ORE BRIDGES

Hydraulic Regulating Gates and Operating Machinery
Liftlocks, Turntables, Electric and Hand Power Cranes
Gear Cutting, General Machine Work, Forgings

DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE - LACHINE (MONTREAL) QUE.

BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

Chartered 1864

Savings Deposits
Withdrawable by cheque

Debentures
$100 and over - 1 to 5 years

The Huron & Erie
MORTGAGE CORPORATION

Branches — London, Toronto, Hamilton, Windsor, Chatham, St. Thomas, Winnipeg, Regina, Edmonton, Vancouver, Victoria

102nd ANNUAL REPORT OF The Bank of Nova Scotia

CAPITAL PAID UP - - $12,000,000
RESERVE FUND - - - $24,000,000

PROFIT AND LOSS

Balance December 31st, 1932	$ 578,224.74
Net Profits for year, losses by Bad Debts estimated and provided for	2,035,900.02
	$2,614,124.76
Dividend No. 253 at 14% per annum	420,000.00
Dividends Nos. 254, 255 and 256 at 12% per annum	1,080,000.00
Dominion Government Tax on circulation to December 31st, 1933	112,000.12
Contribution to Officers' Pension Fund	115,000.00
Written off Bank Premises Account	250,000.00
Balance carried forward December 30th, 1933	637,124.64
	$2,614,124.76

GENERAL STATEMENT AS AT DECEMBER 30th, 1933

LIABILITIES

Capital Stock paid in		$12,000,000.00	
Reserve Fund		24,000,000.00	
Balance of Profits, as per Profit and Loss Account		637,124.64	
Dividends declared and unpaid		363,977.31	
			$37,001,101.95
Notes of the Bank in circulation		$ 11,501,047.40	
Deposits not bearing interest	$ 32,475,976.09		
Deposits bearing interest, including interest accrued to date	175,516,384.60	207,992,360.69	
Advances under the Finance Act		3,214,000.00	
		$222,707,408.09	
Balances due to other Banks in Canada		2,181,331.15	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		2,183,714.45	
Bills Payable		255,154.19	
			$227,327,607.88
Letters of Credit outstanding			5,722,393.89
Other Liabilities not included in the foregoing			265,650.02
			$270,316,753.74

ASSETS

Current Coin	$ 8,994,314.12
Dominion Notes	24,253,953.00
United States and other foreign currencies	2,089,584.29
Notes of other Banks	897,136.20
Cheques on other Banks	8,197,667.72
Balances due by Banks and Banking Correspondents elsewhere than in Canada	6,505,285.84
	$50,937,941.17
Deposit in the Central Gold Reserves	1,250,000.00
Dominion and Provincial Government securities, not exceeding market value	54,905,113.68
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	16,372,484.26
Railway and other bonds, debentures and stocks, not exceeding market value	7,912,674.10
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	9,042,136.72
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	1,968,072.64
	$142,388,422.57
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	$ 97,117,482.51
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	13,132,518.02
Liabilities of Customers under Letters of Credit, as per contra	5,722,393.89
Non-current loans, estimated loss provided for	878,029.67
Bank Premises at not more than cost, less amounts written off	7,624,458.53
Shares of and Loans to Controlled Companies	2,725,795.97
Deposit with the Minister of Finance for the purposes of the circulation fund	531,194.42
Other assets not included in the foregoing	196,458.16
	$270,316,753.74

S. J. MOORE, PRESIDENT. J. A. McLEOD, GENERAL MANAGER.

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 30th, 1933, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were confirmed by us at the close of business on December 30th, 1933. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We report that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

D. McK. McCLELLAND, F.C.A. of Price, Waterhouse & Co.
A. B. SHEPHERD, C.A. of Peat, Marwick, Mitchell & Co.
} Auditors.

TORONTO, CANADA, 15th January, 1934.

Canada Life Assurance Company

Enters Eighty-Seventh Year Stronger Than Ever

Mr. Leighton McCarthy, President, Makes Annual Address

The 87th Annual Meeting of the Canada Life Assurance Company was held in the Head Office of the Company, Mr. Leighton McCarthy presiding.

Address by the President

The world-wide economic crisis accompanied by a world-wide political tension, commencing at the end of 1929 and continuing through the years 1930, 1931 and 1932, apparently reached its peak in February and March, 1933.

Since that time, we are told, a steady improvement in world conditions has been evident. Our fervent prayer is that such improvement may be continued and that starvation and distress in the midst of plenty may cease!

Canada emerges after these years of strain and anxiety with her credit in the world standing high; with her Banks and other financial institutions, speaking generally, in a basically sound condition. There have been no failures nor closing of doors by any Banks in Canada, and there has not been nor is there any likelihood that there will be any lack of banking credit.

Canada still has tremendous natural resources and industries: Lumber, Pulp, Paper, Iron, Steel, Fisheries, Water Powers, Hydro-Electric Developments, Gold, Silver, Nickel, Cobalt, Zinc, Lead and immense tracts of fertile land. It is natural resources developed with intelligence that make a nation rich. The total production of our mines, it is estimated, will this year exceed $220,000,000, being $39,000,000 more than in 1932. Gold has in this year's result played a most important part.

It is a terrific reflection upon the ingenuity of mankind that, during these five years of distress, better methods of distribution have not been devised, so that proper advantage might be taken of that which Providence has so bountifully provided, to the end at least that that which is produced in the way of food and clothing should be utilized and certainly not be destroyed. The world's difficulties have been due in no small part, I suggest, to the inadequacy of its distributive processes, both International and National. In support of this suggestion, I ask why there should be undistributed such quantities of Cotton, Coffee, Wheat, Hogs, etc., to an extent in some cases where the goods are actually being destroyed at a time when people are in distress and want?

While considering this question, I ask you to bear in mind that the Institution of Life Insurance has as its primary function the distribution of resources to large numbers of individuals irrespective of the Country in which they live, and over long periods of time.

Incidentally, this involves the collection of relatively small sums from millions of policyholders in every corner of the country in which a Company does business, into central reservoirs, and the application of these large accumulations, pending their ultimate payment to beneficiaries and policyholders, to the development of the country, through the purchase of Government, Municipal, Railroad and Utility Bonds and the financing of farms, homes and business structure. The Institution of Life Insurance prides itself on its distributive process, as well as its service to its policyholders and their beneficiaries during these past years.

Stability and Usefulness of Life Insurance

Last year I outlined somewhat fully what the Institution of Life Insurance had performed and accomplished during the preceding years, and demonstrated by its performance how fundamentally sound it had proved itself to be. This year, 1933, it has again substantially and completely demonstrated its stability and usefulness midst the strange and startling events which have occurred in the fields of finance, economics and politics, by disbursing to policyholders and beneficiaries on the American Continent upward of $3,220,000,000 in the form of death claims, matured endowments, annuities, surrender values, dividends and disability benefits. Of this sum $2,265,000,000 went to living policyholders, and the remainder of $955,000,000 was paid to widows, orphans and other dependent beneficiaries. That there has been no let-down in this primary distributive function of Life Insurance is shown by the following table of such payments in the United States and Canada for the past five years:

Year	To Policyholders	To Beneficiaries	Total
1929	$1,186,000,000	$ 857,500,000	$2,043,500,000
1930	1,429,000,000	912,500,000	2,341,500,000
1931	1,740,000,000	972,500,000	2,712,500,000
1932	2,248,000,000	961,000,000	3,209,000,000
1933	2,265,000,000	955,000,000	3,220,000,000
Total	$8,868,000,000	$4,658,500,000	$13,526,500,000

These figures do not include policy loans.

The amount of policy loans outstanding at the present time is approximately $3,720,000,000, an increase of $1,330,000,000 since the end of 1929, as against an increase of $926,000,000 during the preceding four-year period. In view of these facts, can any one doubt the social value of Life Insurance or its essential soundness as a financial institution, after its splendid demonstration of strength during these years of depression?

Growth of Assets

The uninterrupted growth of the Assets of Life Insurance Companies throughout the depression is significant evidence of the stability of the institution. While the annual amount of new ordinary insurance has of necessity decreased during the past four years and the volume of ordinary insurance in force has decreased during the past two years, the Life Insurance Assets have made a gain in each successive year of the depression. This has been due to two causes: First, the increasing value of the continuing policies; and, second, the large increase in new annuities purchased. At the end of 1930, the total assets of all the United States legal reserve companies amounted to $18,880,000,000; at the end of 1931 to $20,160,000,000; at the end of 1932 to $20,754,000,000, and at the end of 1933 it is estimated they will be $21,130,000,000.

In Canada, the figures are, approximately: At the end of 1930, $1,975,000,000; at the end of 1931, $2,107,000,000; at the end of 1932, $2,145,000,000; and at the end of 1933 it is estimated they will be over $2,170,000,000.

Life Insurance is a most outstanding illustration of how millions of individuals have banded themselves together under their own selected direction and management, for a common purpose. The nature of the business, and the vast sums involved, bring it in the United States and Canada under Government inspection and supervision. I pay tribute to the various Departments of Insurance and Commissioners on the American Continent for the efficiency shown in their work, particularly under the difficult circumstances which arose in the earlier part of the year.

Explanation of Life Insurance Reserves

In these days of stress and want, it may not be unnatural that the vocal and more radical elements in the community direct attention to what seems a vast reservoir of accumulated funds, which they suggest might be seized and used for the benefit of the public. One hears public reference to the "Reserves" of Life Insurance Companies. I feel, therefore, that this term requires some explanation. The "Reserves" of Life Insurance Companies are not surplus moneys piled up for distribution among a favoured few, but are actually "funds held by the company belonging to the policyholders" which must be maintained at the full strength required by the Government, so that they may, at all times, be available to pay the liabilities to policyholders and their beneficiaries as they mature. These policyholders' funds, commonly called Reserves, must be kept constantly in safe and sound securities.

It follows, therefore, that to seize or take the funds of Life Insurance Companies as suggested would be simple confiscation of the savings of thousands of individuals who have, over a period of years, made deposits, small or large, to these funds, intending that they will thereby provide for their dependents or ease the problems of their own later years.

When properly understood, there could be no substantial body of public opinion behind such a suggestion. It is so opposed to British, French and Canadian as well as American precedent and tradition, that it is not to me believable that this country or any Province in it would take such action. Further, I make bold to assert that the hundreds of thousands of Policyholders in Canada are so well satisfied with the systems under which Life Insurance has been administered for these hundreds of years, and with the record for success, integrity, efficiency, stability, service and safety which the companies of Great Britain, the United States and Canada have established, that it would not be their desire to have the suggestion enforced.

Some Salient Points in President's Address

We continue our tradition of Safety First. When the world's financial structure was again shaken by the events which led up to the closing of all the banks in the United States, in March, it was a great satisfaction to the Directors of this Company to feel that their policy was one of strict conservation and the building and maintenance of reserves.

I am able to say with the utmost confidence that the year's work as a whole has strengthened immensely the fabric of the Company, and permits us to look forward to the future with optimism and a vision of greater progress.

It is interesting to note that for the four years of the depression this Company paid out to its beneficiaries and policyholders a total of $106,042,245, or approximately $73,000 per day.

The surplus funds and special reserves of the Company, after writing down securities, amount to $8,072,910. The surplus fund includes provision for payment of dividends to policyholders amounting to $2,235,000 and $3,624,314 of unassigned surplus; the latter being an increase of $70,109. Reserves for special contingencies have been maintained at $2,000,000.

The total assets are $226,842,892, an increase of $9,956,646. We have increased still further our holdings of Government, Government-guaranteed and Municipal bonds, from $56,369,178 last year to $67,509,801 this year; or an increase of $11,140,623.

During the four years of the depression, 1930 to 1933, the Company's assets have increased by $53,075,224.

Canada Life Progress

The well-directed efforts of our Associates in the Field have paid for $52,687,962 of new insurance, and in addition thereto have sold Annuities for considerations amounting to $10,180,026, being $2,399,728 greater than the previous year. The total business in force of $852,668,334 shows a decrease over last year which was to be expected, having regard to the heavy surrenders and lapses experienced by all Companies. I congratulate most heartily all the Members of our Office and Field Forces in Great Britain, Northern Ireland, the Irish Free State, the United States, Hawaii, Newfoundland and Canada, and desire to express our appreciation of their splendid work. The General Manager will speak more particularly with reference to it.

While the ordinary life insurance business written this year is less than in recent years, let it be understood that each policy of new insurance in the beginning creates a drain on the Company's surplus, in that the expenses of obtaining the business, paying the mortality charges involved in the first year, and setting up the policy reserves are considerably greater than the first year premium income on the business. It takes several years to reimburse the surplus from the earning power of this business. So that, in years when our policy is directed toward building up the Company's financial position to meet all the emergencies which arise in periods of depression and financial disturbance, the writing of a lessened amount of business is not disturbing. On the other hand, I am able to say with the utmost confidence that the year's work as a whole has strengthened immensely the fabric of your Company and permits us to look forward to the future with optimism and a vision of greater progress.

The Company's Income

Our total net income from all sources was $47,597,925. This is a reduction of $2,532,517, which is due to the lessened volume of business in force and to the lower rate of interest procurable on investments of the type which this Company can and does make.

The Company has made payments during the last year of $28,058,026 in settlement of death claims, matured endowments, dividends, annuities and cash values for surrendered policies. Of this amount $19,886,562 was paid to living policyholders.

It is interesting to note that for the four years of the depression this Company paid out to its beneficiaries and policyholders a total of $106,042,245, or approximately $73,000 per day. This was a very important contribution to the public welfare and the financial stability of the community. Further, it must not be overlooked that, in addition to these sums, the proceeds of policy loans and the amount of our investments were other important factors in helping to steady the economic structure and to assist people to carry on under the difficult circumstances of that period.

Surplus and Special Reserves

The surplus funds and special reserves of the Company are, after writing down securities, $8,072,910. The surplus funds include provision for payment of dividends to policyholders amounting to $2,235,000.00, and $3,624,314.00 of unassigned surplus, the latter being an increase of $70,109.00. Reserves for special contingencies have been maintained at $2,000,000.00.

Canada Life Investments

The Balance Sheet submitted to you to-day is one which shows a continuance of our strength, and will I trust, be deemed satisfactory in view of all existing conditions. It shows total assets of $226,842,892.00, an increase of $9,956,646.00, and it indicates that we have increased still further our holdings of Government, Government Guaranteed and Municipal Bonds from $56,369,178.00 last year to $67,509,801 this year, or an increase of $11,140,623.

During the four years of the depression, 1930 to 1933, the Company's assets have increased by $53,075,224.

Following the practice of the Company of each year or so adjusting its values of securities as to meet what it believes to be the uncertainties of the then situation, we have written them down by a further $2,233,807. We are glad to state, however, that in connection not only with these securities, but also in connection with the others written down during these recent years, present reports indicate such recovery in the earnings of the companies issuing these securities that we feel we are warranted in the belief that a large number of them will eventually recover a good portion, if not all, of their former value.

We are glad to say also that the operating profits of the year have been such that we have been able to make this writing down without in any way impairing the special reserves for investment and other contingencies of two million dollars, and at the same time have been able to increase our unassigned surplus by $70,109.

I have referred previously to the strong position of our Company, and in order to show the diversification of our assets and how they are distributed, I am submitting the following statement:

	% of total Ledger Assets
Cash, Govt. and Municipal Bonds, Canada, U.S. and Great Britain	31.9
Other Govt. Bonds	0.4
Public Utility Bonds	11.8
Railroad Bonds	1.0
Newsprint Company Bonds	0.6
Realty Company Bonds	1.5
Other Corporation Bonds	1.6
Preferred Stocks	2.2
Stocks of Canadian Banks and Trust Companies	1.5
Other Common Stocks	0.2
Mortgages	25.8
Policy Loans	16.3
Real Estate (including Company's Buildings)	5.2
	100.0

You will note that we are again showing a very substantial profit from the sale of ledger assets amounting to $1,037,645. This is in addition to profits of $777,269 in 1932 and $489,086 in 1931. This has been made possible by judicious movement of securities, with due regard to the respective liabilities from one currency to another. At the end of 1932 we held heavy holdings of short-term British Government Bonds and other Sterling securities and during the year it has been possible to sell these at a profit and at the same time maintain yield and the high standard of our investment list. We continue our tradition of safety first. When the world's financial structure was again shaken by the events which led up to the closing of all banks in the United States in March it was a great satisfaction to the Directors of this Company to feel that their policy was one of strict conservation and the building and maintenance of reserves. This course of action may have been disappointing to our policyholders so far as immediate cash returns by way of dividends are concerned, but it must have been equally comforting to them to know that it was one which ensured under all circumstances the complete fulfilment of the Company's contracts. This year, as a further contribution toward the security of the policyholders, no bonus has been paid to the shareholders, but has been retained in reserve. As forecast last year, a reduction in the salaries of Officers and Senior Staff was brought about with the same end in view.

Mortgage Situation

At the end of the year the total funds invested in mortgages and agreements of sale amount to $55,970,268.00, of which 65 per cent. is in city properties and the balance of 35 per cent. in farm properties. Everybody knows, of course, that owners of homes and the owners of farms during this period of great depression have found difficulty in keeping up their payments of principal and interest, and it is, therefore, natural that all lending companies should be showing substantial arrears and that they should also be forced to take over certain properties where the mortgagor finds it impossible to carry on. In order to obtain a clear picture, I have had certain figures prepared covering our own business, and I find that, as at the 31st December, 1933, the foreclosed properties on our hands still unsold represented only 2.88 per cent. of our total mortgage investments and sale agreements, and but .72 of 1 per cent. of our total assets.

It is interesting to note that, at the end of 1923, which was the tail-end of the depression period commencing in 1920, our foreclosed properties amounted to 1.25 per cent. of our total assets. In other words, despite the greater severity of the present depression and the prolonged period of it, the proportion of foreclosed properties on our hands to-day as to total assets is over 42 per cent. less than at that time.

I am able to state further that during the year 1933 we did not carry into our revenue account any additional arrears of interest. Our revenue account, therefore, was made up this year entirely on a cash collection basis.

We all very much regret that a continuation of drought conditions in certain parts of our Prairie Provinces has added further difficulties to the situation there. The process of re-establishing the financial position of the farmers affected must necessarily be a slow one and will call for the utmost consideration on the part of creditors and co-operation of the honest and capable individual, who has suffered by events beyond his own control. In this respect I feel it incumbent upon me to say that careful consideration should be given by the respective governments to the effects of the restrictive legislation which has been imposed upon creditors in these Provinces during recent years. While we all sympathize with those to whom misfortune has come, it cannot be overlooked that a system of legislation which interferes with the enforcement of the terms of a contract may have had the effect, and may still have the effect of encouraging an individual to hold on far beyond the limits of prudence, and where, in the end, the result is the total loss of his equity in his property and loss to the lender, which might have been saved by an earlier settlement with his creditors.

It must not be thought by people living at a distance from the Prairie Provinces that the picture there is entirely one of dark misfortune and lack of hope. Our managers advise us that it is surprising to note, in going over our mortgage cards, the percentage, in districts where there has not been total crop failure, that are right up to date in regard to both taxes and interest. We are also advised that the farmer in many districts has become accustomed to living from the products of his farm without other means of credit; that he is adjusting his entire method of farming to present day needs, and is thus materially reducing the cost per unit of his production. This is the case to such an extent that this year, in addition to living and operating expenses, there will be, in the districts where there are reasonable crops, at least some small amount in most cases to pay on account of his liabilities. A further point is that, even in the case of borrowers who have been unable to keep their accounts in good standing our managers find the interviews with these men encouraging. These are men who are trying to do their best and who are finding in the institutional lender sympathetic and helpful support, because we know quite well that most men of this type will overcome their difficulties as soon as prices for agricultural products improve.

The rate of interest earned is 4.90 per cent. Having regard to the lower rates of interest prevailing generally on the high-grade securities which we have purchased, this must be considered as satisfactory, especially as we have not included in our assets any arrears or accrued interest on bonds in default, and also as I have already stated, our mortgage revenue account was this year made up on a cash collection basis.

It is with deepest gratitude I acknowledge my personal obligation to my colleagues on the directorate, particularly to the chairman of the board, Mr. H. C. Cox, for the special interest he takes in our British organization; also the general-manager, Mr. Mitchell, and through him to each individual unit of the staff, in the home office, the British Isles, the branch offices, and in the field, for the splendid consideration and effort they have so loyally and ungrudgingly given to the company during this very trying year.

I am sure you all join with me in deeply regretting the absence of our genial vice-president, Mr. E. R. Wood, of whose unstinting and valued services we have been for some weeks deprived by reason of illness. I am more than gratified to report he is almost fully recovered, and we hope ere long to have the great pleasure and advantage of welcoming him to our board meetings and other conferences.

Board of Directors

The following were elected directors for the ensuing year: Leighton McCarthy, K.C., president; Herbert C. Cox, chairman of the board; E. R. Wood, LL.D., vice-president; *A. E. Ames, C. A. Bogert, Arthur V. Davis, *Aime Geoffrion, K.C., B.C.L., R. A. Laidlaw, J. A. McLeod, A. N. Mitchell, *W. E. Rundle, *Hon. Charles Stewart, P.C., M.P., John Stuart, W. N. Tilley, K.C., *Rt. Hon. Sir Thomas White, P.C., K.C.M.G.

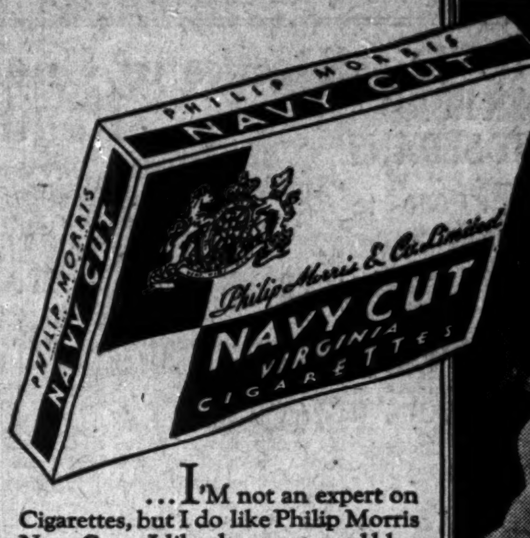
*Policyholders' directors.

Creamery Butter Output Gains 1 Per Cent in 1933

Creamery butter production in December amounted to 8,674,000 pounds compared with 9,554,000 in December, 1932, a decrease of 9 per cent. Nova Scotia, New Brunswick and Alberta showed slight increases, but there were sharp decreases in Quebec, Ontario, Saskatchewan and Prince Edward Island.

The total production in 1933 is given in preliminary reports as 215,917,000 pounds compared with 214,002,000 in 1932, the latter being the revised figures. The increase was 1,915,000 pounds or a little less than one per cent.

Call for PHILIP MORRIS—Accept No Substitute



...I'M not an expert on Cigarettes, but I do like Philip Morris Navy Cuts. I like the smart royal blue and gold package they're put up in. I like the way the Cigarettes are made—round and firm—each one fully packed. And I like the way they smoke—mild, cool and sweet. They're as fine a Virginia Cigarette as you could wish for—and yet a package of 25 costs only a quarter. P41

PREMIUM CARDS IN EVERY PACKAGE 10 for 10¢—25 for 25¢ TINS OF 50—50¢

WINDSOR HOTEL PROFITS IN 1933 SCORE DECLINE

Net Income Insufficient to Take Care in Full of Senior Charges

From Our Own Correspondent

MONTREAL—Hotel operations in Montreal over the past 12 months were far from satisfactory, operations of the Windsor Hotel Ltd., showing a sharp reduction in net earnings; in fact, insufficient to take care of interest charges. In the opinion of the president, however, the past year marked the lowest point in the company's history, but there is reason for expecting a steady, if gradual, improvement during the current year.

Net earnings in the year ended December 31, 1933, totalled only $83,257. This compares with $205,402 in the previous year. Depreciation charges amounted to $100,000 and bond interest to $191,183, so that the income deficit in 1933 almost wiped out the previous surplus to the credit of the profit and loss account.

Cuts Into Surplus

Particulars of the income account for the past two years follow:

	1933 $	1932 $
Net earnings	83,257	205,402
Deduct: Bond int.	191,183	198,087
Depreciation	100,000	100,000
Net loss	207,925	92,684
Pfd. divid.	......	48,750
Surplus	*207,925	*141,434
Prev. surplus	‡209,706	364,735
Balance	1,781	223,301
†Adjustment	696	678
P. & L. bal.	1,084	222,623

*Deficit.
‡Balance at credit January 1, 1933, $222,623, less balance at debit of realization account, written off, representing net loss sustained on sale of investments, less difference between par value and the purchase price of preferred shares of the company redeemed and cancelled, a net deduction from surplus of $12,917.
†Sinking fund.

Reduce Funded Debt

Excess of payments over income is reflected in the balance sheet, which shows assets of $6,578,813 at the close of 1933 compared with $6,849,435 at the end of the previous year. Among current liabilities is a bank overdraft of $42,610 which did not appear in the 1932 accounts. Funded debt charges on the other hand have been reduced. First mortgage bonds now outstanding total $2,009,800 as against $2,094,600 a year ago, while refunding mortgage bonds have been reduced from $1,032,300 to $1,009,100.

There is no change in the capital stock position.

The principal item of interest among current assets is the investment account. In the 1932 report investments were shown on the books at $655,675 compared with a market value of $291,732. This item included $150,400 par value of the company's own bonds. The 1933 accounts show investments having a book value of $521,952 compared with a market value of $172,599.

Fixed assets are shown on the books at $5,907,977, a reduction of $100,000 from the previous year or the equivalent to the amount written off for depreciation.

LAMBTON TRUST ASSETS INCREASE

Earned 4.8 p.c. on Capital Against 6.42 p.c. In 1932

Lambton Trust Co., subsidiary of Lambton Loan & Investment Co., Sarnia, Ont., earned 4.8 per cent on capital of $161,000 in 1933 as compared with 6.42 per cent in 1932. Net earnings of $9,144 compared with $10,842 in 1932 but were subject to deduction of $1,424 for Federal income taxes on 1932 business.

Total assets increased to $589,962 from $398,622, chiefly due to increase in estates, trusts and agency funds which are up to $362,651 from $173,897. Assets on capital account total $227,212 of which $198,037 is invested in first mortgages. Cash is up to $14,650 from $5,518 in 1932 while investment in bonds and debentures is down to $14,197 from $14,893 due entirely to smaller holdings of municipal bonds.

Capital remains unchanged with 180 fully paid shares and 6,080 shares on which 50 per cent has been paid outstanding. Reserve remains at $50,000 while profit and loss surplus is up to $15,005 from $13,725. Record of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate* Earned %
1929	159,500	11,762	...	3.70
1930	160,500	6,664	...	2.08
1931	160,500	10,275	...	3.21
1932	161,000	10,341	2.50	3.21
1933	161,000	†7,720	2.00	2.40

*On paid-up capital.
†Less income tax, year 1932, $1,424.

Year	Capital Account $	Estates under Adminis. $	Total Reserves $
1928	191,731	28,560	25,000
1929	203,794	130,123	25,000
1930	211,658	140,929	50,000
1931	221,933	173,857	50,000
1932	224,725	173,896	50,000
1933	227,311	362,650	50,000

Manager in England

D. E. LONGMORE

Whose appointment as manager of the London, England, branch of A. McKim Limited has just been announced.

W. T. Brace, at present manager of McKim's London office, has been appointed a director of the company and will return to Canada early in May.

SEEK TO COMPILE FIGURES ON FOLKS WITH PUBLIC JOBS

Dominion Bureau May Produce Civil Servant Census

From Our Own Correspondent

OTTAWA.—Efforts of the Dominion Bureau of Statistics to obtain accurate figures upon the wage and salary bills of all classes of governments in Canada are likely to bear fruit this year.

Although Canada possesses one of the most efficient of present-day statistical services it is a fact that the efforts of Dominion officials to obtain details from provincial and municipal authorities have not been successful in the past. For a decade, the Dominion Bureau has endeavored to get accurate statistics on debt as well as upon revenues and expenditures of all governments. The Bureau, also, has made vigorous efforts to compile vital statistics covering all of the Dominion.

To a considerable degree these efforts have been successful. The vital statistics are now complete. The debt and budgetary statistics are complete in so far as the provinces are concerned and nearly so with respect to the municipalities. There are some municipalities, however, that continue to withhold information, thus making impossible an all-embracing report covering the nation as a whole.

With respect to statistics on civil servants and their cost to the various governments, the Dominion Bureau of Statistics has been unable to make progress until recent weeks. Full details covering the Dominion service have been published since 1925. Few if any of the provinces and the municipalities have ever kept statistics in these matters and they have declined to go to the trouble and expense of doing so. A glance at the public accounts for any of the provinces will indicate why Ottawa statisticians have been unable to make even the remotest guess of the number and cost of the provincial services. And this is even truer of the municipal accounts.

In some cases the cost of the "inside" services is shown separately but the "outside" services are usually bulked with the general departmental expenditures.

Make Start This Year

Last fall a Dominion-provincial-municipal conference of statisticians met at Ottawa and canvassed the situation. Progress was slow but with regard to civil service expenditures the Dominion representatives were authorized to draft forms which would give the information desired. These forms have been drafted and will be forwarded to the provincial and municipal authorities in the near future for approval and comment. It is hoped that the form will be acceptable and that returns will be made to Ottawa this year.

It is understood that the forms will be confined to the cost of civil servants and will not include their number. This may be added later. It is felt that this is not the time to request the provinces and municipalities to undertake unnecessary work.

With regard to the Dominion service, several statements have been made indicating that the Bennett government has reduced staff. Hon. E. N. Rhodes, Minister of Finance, speaking at Toronto, May 20, 1933, said the service had been reduced by 5,000. Hon. C. H. Cahan, Secretary of State, on November 18, repeated the statement. Mr. Cahan, incidentally, announced that further reductions in staff were most improbable.

The Bureau of Statistics ceased publishing the civil service blue book in 1930 and has not issued figures since 1931. But it is expected that a statement giving the total of civil servants as at March 31, 1933, will be made public in a few days. Meantime, the Bureau figures for October 1932 is a matter of record.

Staff and Salaries

The story of the Dominion civil service is told in the following table:

	Employees	Salaries
1912	20,016	$1,536,190.37
1913	22,621	1,803,271.74
1914	25,107	1,988,208.60
1915	28,010	2,300,867.22
1916	29,219	2,431,499.31
1917	32,435	2,702,933.60
1918	38,369	3,241,781.70
1919	41,825	4,110,567.83
1920	47,133	5,388,694.66
1921	41,957	5,276,642.44
1922	41,094	4,985,613.81
1923	38,992	4,731,827.26
1924	38,062	4,746,694.90
1925	38,645	4,639,930.73
1926	39,097	4,699,075.82
1927	39,440	4,786,614.74
1928	40,740	5,161,558.43
1929	42,038	5,428,058.11
1930	43,525	5,543,748.94
1931 (March 31)	45,581	not given
1932 (October)	43,265	not given

Reduction From Peak

The figures, except where otherwise stated are for the month of January. When Cabinet Ministers declare that the service has been reduced by 5,000 persons they no doubt refer to the peak employment of November, 1930, when there were 47,236 on the pay roll. This would indicate that the civil service today numbers about 42,000.

The cost of the service is greater than the above table would indicate, for the reason that there are large numbers of "non-enumerated" class. The grand total expenditures from 1925 to 1931 (later years are not available) were as follows:

	Salaries
1925	$74,221,243.97
1926	74,692,000.80
1927	76,227,378.10
1928	82,311,447.07
1929	87,584,764.95
1930	90,808,425.71
1931	94,310,983.00

PORT ROYAL PULP SECURES CAPITAL BY ISSUING BONDS

Province and Saint John Lend Assistance by Guarantees

From Our Own Correspondent

MONTREAL—Arrangements have been entered into between Port Royal Pulp and Paper Co., Saint John Municipal Council and the Province of New Brunswick whereby the necessary finances have been arranged so that the pulp plant will be kept operating for at least 11 months of the calendar years of 1934, 1935, 1936 and 1937. The agreement further stipulates that at least 200 men will be employed.

Under the arrangement the company has made a $200,000 issue of four-year mortgage bonds, of which $120,000 have been subscribed for by the Bank of Nova Scotia and the balance by private interests. The bank is protected by guarantees of $60,000 each by the province and the municipal council.

Needed Working Capital

Port Royal Pulp's mill now is running at capacity, having resumed operations at the middle of the month. It was closed temporarily on Dec. 5 after being successfully operated since it was purchased, reconditioned and started by the present owners. They had to expend a large sum in purchase of the mill, in alterations, in reconditioning, in new materials, in some other improvements and in stock for manufacture before any financial return was received.

Despite the success attending the company's work it was found that the large initial expenditure had invaded capital to such a degree that, unless financial arrangements could be made, the plant must remain idle for approximately six months—the winter period during which the company's market could not be reached profitably because of the freezing over of the inland waterways.

Additional capital was required to permit the plant to manufacture for warehouse pending the return of navigation in the spring. The province and municipality interested themselves to assist the company to this end, with the view of keeping the industry active.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Stock Watering Second Evil to Hit

Many Deceptions Practised to Lessen Sales Resistance of Stock Purchaser — Attitude of Courts Contributory — No Par Device

By F. W. WEGENAST, K.C., Author of "Canadian Companies."

This second article in a series on the general principles and essential considerations, which should be taken into consideration by Parliament and Legislatures when discussing bills designed to change company laws with the object of giving greater protection to the investor, concerns the evil known as "stock watering," to give it its popular term, but "illusory capitalization" would be a preferable title for our purpose, because it signifies a state of things while the former term indicates only one of the ways by which that state of things may have been brought about.

The result is the same, and is equally bad, whether the illusory capital structure is due to an original set-up of stocks for inadequate consideration or was the result of abstraction of capital, as by paying dividends out of capital, or was merely an ordinary depletion of capital by reason of business losses.

What is wrong in each case is that the real capital is not what it is made to appear. The vice of the thing is in the deception. So that we ought to consider under this head all forms of deception or pretence as to the amount of real capital whether in the form of stock or bonds or other form of security that is, or will be behind the enterprise.

Stock Watering Illustrated

What is stock watering? It is easier to illustrate than to define: A promoter has, or is in a position to acquire, a property which has cost him, or is to cost him, $500,000. He plans to have this property taken over by a company which will issue therefor $1,000,000 of stock. In other words he will pretend that the real capital is $1,000,000 instead of $500,000.

If everybody knew about the pretence and acted accordingly it would be a harmless fiction. If the promoter sells the stock for $50 per $100 share every holder of what purports to be $100 of an investment has actually an investment of only $50. Why the pretence? For various reasons. In the first place it enables the promoter to appeal to the cupidity of the investor by offering him for $50 something which looks like $100. There is less "sales resistance." And the purchaser of the stock expects to be able to turn it over to someone else more readily and for a better price than if it appeared to be what it really is, namely $50. It is a form of deception—of self-deception if you like, if everyone knows the facts—and a form of potential deception of those who do not know the facts.

But that illustration is crude. The promoter is not likely to go about it so ingenuously. He is more likely to sell the stock for $75 per share and pocket the profit. He might even sell it for $100 per share. But even this would be crude. Here is what he is more likely to do: have the company as consideration for the property issue $500,000 of preferred stock and $500,000 of common stock, the voting control being in the common stock; sell two shares of preferred stock and one of common for $100, which will mean that when he has sold all the preferred stock he will still have half the common stock in his hands and will control the company without having invested a dollar, or certainly by keeping two preferred shares and one common for himself.

Even this plan would now be considered crude and old fashioned. But before suggesting further refinements let us see what the conditions are which enable the promoter to go so far. The theory is that every $100 of stock issued by an incorporated company represents an investment of $100. Theoretically a company has no power to issue $100 of stock for less than $100. Until recently it was difficult, legally, to pay even a brokerage commission for the flotation of the company's stock, because that would mean that the company was getting less than 100 per cent for the stock issued.

Here is how the promoter got around the difficulty: He coolly raised the price of the property to $1,000,000; that is to say he got a company incorporated in the names of a number of persons in the office of his solicitor, these persons being the provisional directors of the company. He made a bargain with these provisional or "dummy" directors to turn over the property for the $1,000,000 of stock—let us say $500,000 of preferred and $500,000 of common.

Court Pleads Helplessness

The validity of this bargain was supposed to rest on the principle, laid down, or supposed to have been laid down, in some of the cases, that the courts will not inquire into the adequacy of the consideration which the directors have chosen to accept for the company's stock. One of the most extraordinary things in the realm of company law is the fact that this principle or theory has been relied upon for a generation by promoters as a sort of Magna Charta of their liberty to help themselves to any amount of a company's stock, however large, for any consideration other than actual cash, however small. For it was recognized by everyone as basic law that when it came to paying for stock in cash, the amount of the par value had to be paid in full to the last cent. It was only when the payment was in kind, that is to say, in property or any form other than cash, that the courts were supposed to shut their eyes and confess their inability to place any value on the assets which the company was to receive for its stock other than the par value of the stock which the directors were willing to issue for it.

Defeating Law's Intent

For some reason it was never, or rarely, thought proper to make free in this way with preferred stock, although logically and legally no distinction could be made between preferred and common stock as far as the obligation to pay full par value was concerned. As to common stock all caution was thrown to the winds. It became the ordinary thing to have available for bonusing or "sweetening" the sale of preferred stock or bonds a quantity of common stock which had been issued without regard to any adequate consideration, and was sometimes, indeed, held by someone "in trust" for the company with a view to having its proceeds turned back to the company; so that the net result was to enable the company, contrary to law, to issue its stock freely without regard to its par value.

So generally accepted had this practice become that in one case where a promoter had helped himself to common stock of the par value of $1,000,000 for consideration of practically no value the trial judge throughout the course of a nine days trial insisted that common stock, in the case of the par value of $10 a share, was not necessarily worth anything, and that it merely represented future earning capacity, and he characterized as "nonsense" the contention that it had to be paid for at par, and refused to admit evidence as to the actual value of the consideration given.

A Vicious Assumption

The extraordinary thing was that as a matter of law it never had been laid down that the courts would not enquire into the adequacy of the consideration. What had been laid down was that the courts would not enquire into the adequacy of the consideration *unless the transaction was impeached.* The italicized words were by almost common consent lost sight of. When you examined the cases you found that the transaction could be impeached for fraud or as being ultra vires the company; and it was ultra vires the company to issue its stock at a discount. Nevertheless it must be said that the courts showed an unmistakable reluctance to give effect to the italicized words, and the tendency grew in Canada until it was assumed apparently by everyone that anything would serve as consideration for any amount of stock so long as the directors went through a certain form of pretence.

But throughout the orgy of issues of stock for bonusing it had been thought necessary to observe in form the fiction that full par value had been received by the company for all stock issued. On the balance sheet there would appear huge amounts among the assets for "goodwill" or "rights and privileges" or "patents and contracts" which everyone knew were pure "water" poured in to balance stock items on the other side of the balance sheet which had been issued for bonusing purposes. The net result of course was so to vitiate balance sheets that they were completely misleading to any one who was not in a position to read between the lines and construct mentally, an entirely different balance sheet.

"Vendors' Stock" Plan

A curious development of the official attitude toward the practice of watering stock was the regulation, put forward by the Securities Commission of Ontario and perhaps copied in other provinces, distinguishing between "vendors'" stock and other stock, and requiring that the so-called "vendors' stock" should not be offered for sale until the rest of the stock or a certain proportion of it had been disposed of. The implication was that the so-called vendors stock, being under suspicion of having been issued for inadequate consideration, that is, having been watered, should not be let out to the public until some stock representing more substance had been gotten out. This, of course, amounted to an official recognition of the practice of watering some of the stock so as to render it less respectable than the rest ranking with it.

"No Par Value" Device

Instead of closing down or discouraging the practice which had thus eaten into a large part of our corporate financing (for it was becoming constantly more difficult to get anyone to put up $100 for a $100 share in any enterprise) the legislature succumbed to the pressure and opened the way to wiping out the principal thing that stood in the way of complete devaluation or watering of stock. By amendments of the Companies Acts of the Dominion and the different provinces the way was opened for issuing "stock without par value." This was hailed by promoters and so-called "investment bankers" as a great aid to their business. They would no doubt now oppose vigorously any effort to repeal the provisions.

Why? What does par value mean? It simply means that when a man has $100 of stock in a company he, or someone before him, is supposed to have put $100 into the company. Why should not the legislature stipulate that a man should not get a certificate for a $100 investment unless he has invested $100? Maintenance of the par value principle would at least mean that the $100 had been originally invested. Why not let it stand at that? The fact that the share may presently be worth less (or more) than the original investment can be dealt with as may be required without throwing a veil of secrecy over the original investment. It is of some importance to observe that in England in 1929 a parliamentary committee charged with the investigation of this, among other questions of corporate finance, definitely avoided anything like the no-par scheme, but provided, instead, for the issue, with the approval of the court, of stock at less than its par value where it was shown that the stock of the same rank already issued was worth less than par. There is no such device as no-par stock known to English law. Our enactments were copied from the United States.

Mystification Aided

Of course, the courts have now held that so-called no par stock is not really no-par. It cannot be given away or sold at a discount. What can be done is to vary the par value of it from time to time. The real difference between it and ordinary par stock is that in the latter case the value, that is to say the issue price, is fixed by the charter, and cannot be changed except by supplementary authority. In the case of no par stock the price is fixed by the directors and may be varied by them from time to time—for adequate cause. Nevertheless the no par scheme does very materially help in the process of mystification as to how much money has really gone into the company, and whether some shareholders have got their stock for less than others.

Appeals to Cupidity

It will have been seen that one of the principal purposes of stock-watering is to enable stock-salesmen to appeal to the cupidity of the investing public. The fool and his money are more readily parted if he thinks he is getting something for nothing. Offer a man a $100 preferred share and a common share or two, whether of $100 or of $10 or even of no par value, all for $100, and your chances of making a sale are better than if you offered him a receipt for a $100 investment.

Now it is a serious question whether and how far the law should discourage appeals to the prospect of getting something for nothing. But the law does discourage shell games and the like, and it is at least arguable that the law should, where it can, without serious injury to anyone else, throw some protection around those of the community who have money but who have not sufficient experience, or information, or moral character, or whatever it takes to withstand appeals to cupidity or the gambling instinct.

The article on "Stock Watering or Illusory Capitalization," in this issue, will be supplemented or continued in an early issue by a discussion of the remedies to be applied. The first article was on "Misrepresentation" and the two articles on "Stock Watering" will be followed by three articles on the following subjects:—Abstraction of the vote; Abuse of majority control; and Defective auditing.

Enquiries

Montreal Island Power

I bought some preferred shares in Montreal Island Power Co. when they were originally offered to the public. This was some five or six years ago. The company is in operation but so far I have not received dividends on my investment. Can you tell me what is wrong with the company, or the reason why I have not received dividends?

The situation surrounding Montreal Island Power is considered to be unsatisfactory. Income of this organization to date has only been sufficient to take care of bond interest and depreciation, in part. It was thought that when this company was taken over by Montreal Power, its productive facilities would be developed to the maximum. Such has not been the case; largely because there is a surplus of power in the Montreal area. There is no indication of the installation of additional units at the power plant in the near future. Until such installation has been made there is no prospect of a dividend on the preferred stock.

Can. Financial Founders

We have a client who has purchased a Purchase Certificate for $2,400 of Canadian Financial Founders Ltd. and to date has made 29 monthly payments at $20 per month. What is the market value of this certificate if he wished to sell it? Would you recommend that he continue to make his monthly payments? What do you think of the company, and in your opinion are the officers of this company reliable?

As far as we are aware, there is no market for the certificates issued by Canadian Financial Founders, Ltd. Certificate holders are, however, permitted to withdraw from their contract at any time and receive their proportion of Diversified Trustee Shares. Your client would probably receive Diversified Trustee Shares Series C, on which the bid was $2.95 on January 10. On the Series D Trust Shares the bid was 4⅝.

If your customer will refer to page 3 of his Canadian Financial Founders certificate, he will find the extent of the deductions that the company is permitted to make before any investment is undertaken in Diversified Trustee Shares. It would appear that out of the total of $580 that he has invested there has already been deducted $120 in respect of installments paid during the first 12 months; $72 in respect of payments the second 12 months and $15 in respect of payments in the third year. Therefore, out of the installments your customer has paid totalling $580, $201 went to pay expenses of Canadian Financial Founders Ltd., trustees' fees and insurance premiums. Presumably, the remainder of $379 was invested in Diversified Trustee Shares Series C during the last two years subject to deduction of premium on United States funds prevailing during part of that period. Only Canadian Financial Founders Ltd. can tell your customer the number of trust shares underlying his certificate with their company. If your client withdraws from his contract, the company is entitled to deduct its service charge for the next succeeding year, which, however, would not be in excess of ½ per cent of the face value of the $2,400 certificate.

Deductions made by the company from installment payments are heaviest in the first few years and are reduced to one-half of 1 per cent in the tenth year. Your customer has already passed through the first two years when charges are 5 per cent and 3 per cent respectively of the face value of the certificate and by withdrawing at this time he would not only have a substantial loss of principal after he had sold his Diversified Trustee Shares but would also lose the benefit of the insurance protection afforded under his contract with Canadian Financial Founders. As to whether he should withdraw from his contract much would depend upon his financial position at the present time, his ability to make monthly payments regularly over the remainder of the contract period, and his willingness to speculate on the future price trend of Diversified Trustee Shares Series C, which in turn is dependent upon the daily market price of the underlying common stocks.

As far as we are aware, the officers of Canadian Financial Founders and the Prudential Trust Company of Montreal can be relied upon to fulfill their part of the contract but we believe that investors should be thoroughly familiar with the terms of the contract and all that it entails before they commit themselves to make periodic payment over a term of ten years.

United Corp.

Will you be good enough to let me have a report on United Corp.? I invested in the original company, Consolidated Investment Corp., but since the reorganization hold the bonds of United Corp.

Following the plan of reorganization of Consolidated Investment Corp., the new company, United Corp., took over assets which had been written down to the then market value. Since that time there has been a fair improvement in the market value of securities so that United Corporation's portfolio is stronger than it was at the time of the reorganization of the old company. In addition we are informed that revenues have been on a fairly satisfactory basis.

The outlook for United Corp. naturally depends upon an improvement in the position of those companies whose securities are held by United Corporation. Some time may elapse before United Corporation bonds can be classified as other than semi-speculative but, for one in a position to hold, it is reasonable to expect that United Corporation bonds will show further strength both as regards equity and earning power.

Burns & Co.

A customer of ours holds a first mortgage sinking fund 5½ per cent bond of Burns & Co. We would appreciate any up-to-date information that you have in connection with this company. Is there any possibility of this company being able to meet interest on this bond at an early date?

Earnings of Burns & Co. have improved materially during the past year and there is some possibility that the company will be able to pay something on account of bond interest, although it will not be possible to pay off arrears of interest in cash. The bondholders' committee appointed early in 1932 has been closely in touch with the situation and has developed a plan of reorganization which will be presented to bondholders within the next two weeks.

The details of this plan of reorganization have not been divulged as yet but we understand that there is a possibility of the bonds being placed on an income basis for a certain period with possibly a payment of 3 per cent in cash during the next year. It also seems likely that the preferred stock will be exchanged for new common stock and bondholders will receive some of the new common stock in lieu of arrears of interest.

Burns & Co. has made substantial economies in operating costs during the last two years, while improved prices on its products, combined with better markets both in Canada and in England have enabled it to earn something toward bond interest. Working capital position of the company has been improved during the past two years. If general business conditions in Canada remain at the present level or continue to show improvement, it would seem possible that the company may start to pay and continue paying something on account of interest to bondholders.

Canadian Vickers

I have $2,000 invested in the first mortgage bonds of Canadian Vickers and would appreciate from you a report on the present position of this company.

Volume of business available to Canadian Vickers over the past year has been limited. Expectations are that the company will not earn its bond interest for the current fiscal year. On the other hand, the bondholders will have the benefit of the Dominion Government subsidy, which is only about $50,000 short of full interest requirements. Interest payments in full, on the other hand, are fairly secure.

Northern Ontario Power

Will you let me have your opinion on Northern Ontario Power Co.? Is it paying a dividend on its common or preferred stock? Has the trend of earnings been favorable?

Northern Ontario Power Co., a direct subsidiary of Canada Northern Power, has experienced a satisfactory increase in the volume of business together with an advance in the earning power of its common stock. At present the company is not only paying its regular dividends on the preferred stock but is paying $2 a share on the common.

We are sorry that we are unable to give you particulars of the earning power of the Northern Ontario Power Co. as its income account is consolidated with that of the parent company, namely, the Canada Northern Power Corp. An examination of the latter company's accounts will give you a good general idea of the progress made by Northern Ontario Power.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Maple Leaf Mines

Will you please give me some information on Casey Summit Gold Mines and the position of Maple Leaf Mines in respect to this company? Do you think an investment in the latter has possibilities? Who is in charge of the Casey Summit operations and how do you regard the management?

Casey Summit Gold Mines has an interesting property that clearly shows possibilities under intelligent development. The property has been held back by the lack of finances to carry on development. Last fall Maple Leaf Mines agreed to finance the property under an option that will give it control of the company, if and when the option is completed. Casey has an authorized capitalization of $5,000,000 in $1 par value shares. R. G. Williamson president of the company owns or controls some 2,000,000 shares and is executive in charge of the company.

Surface exploration, diamond drilling and underground development in 1931 revealed seven high-grade gold-bearing veins, varying in width from two to 20 ft. An ore shoot has been indicated by eight diamond drill holes on No. 2 vein over a 900-ft. length, 4.2 ft. wide, to a vertical depth of 375 ft. Average values of $15 per ton. On this vein a shaft had been sunk to a depth of 75 ft. and 140 ft of drifting has been done at a depth of 75 ft., and average values of $18.15 across 3.2 ft. obtained for the entire 140 ft. New work comprises deepening the shaft to 200 ft., where comparable widths and values have been found.

It is a deserving property and we believe that money being provided by the Maple Leaf Mines will be intelligently expended in an effort to make a mine if the president, who has no recognized mining experience, exercises the good judgment to authorize capable engineers to direct the mining operations.

Maple Leaf as a holding company will share in the fortunes of Casey Summit, and if and when dividends come they will accrue to Maple Leaf. It will then rest with the decision on the part of its directors whether to disburse this income in the form of dividends or use it to further other activities of the company.

Maple Leaf has an authorized capitalization of 3,000,000 shares and funds are being provided by the sale of its shares.

Canadian Gold Placers

During the boom days I bought some shares in Jay Copper Gold Mines. I never heard anything further about this mine until 1931 when I was advised that the shares could be exchanged for Canadian Gold Placers with the payment of additional cash. I made the change and received a share certificate in Canadian Gold Placers. Since then I have never seen anything in print about this company or heard of its existence.

Would you please advise me if there is such a company?

In the transfer of shares of Jay Copper-Gold Mines plus cash for those of Canadian Gold Placers, the only undeniably valuable consideration was the cash. The situation was fully exposed some time ago by The Financial Post and the Better Business Bureau of Montreal. Neither of the stocks can be regarded as having any value whatsoever.

Wainwright West Oil

I hold 500 shares in Wainwright West Oils and notice that it is now selling around 80 cents per share. Will you please advise if you think it is time to sell? What is the outlook for earnings?

Shares in Wainwright West Oil are sponsored by P. D. Bowlen, who was president of Wainwell Oils, whose stock was sold widely to investors who failed to profit. The shares of Wainwright West were recently listed and undoubtedly someone has stock to sell to the public. Wainwell was promoted on Alberta property and Wainwright around Texas property. At the present time a small income is derived from its Texas operations, but the chaotic state of the oil industry and the proration measures in effect do not give much hope to the small operator. At present prices the stock is discounting anticipated rather than actual earnings.

Little Long Lac Gold Mines

I am thinking of purchasing stock in the Little Long Lac Gold Mines and and would like your opinion concerning this stock as a speculation.

Little Long Lac Gold Mines is a prospect that has been giving a good account of itself since operations started early last spring, according to official assay figures. There is an announced intention to take a mill into the property this year, but more work will have to be done to determine the true importance of the ore presently indicated. It is one of the best looking prospects in the area and the chief sponsors of the enterprise may possibly have an opportunity of making up for lack of success in previous ventures in which the public participated.

Siscoe Gold Mines

I am thinking of investing in Siscoe Gold Mines at present prices and would like to have your opinion of the position of the company and its possibilities.

Siscoe Gold Mines has to be judged largely on its performance in the past rather than on its known possibilities. The company has given an excellent account of itself in the five years it has been in production and profits this year are close to 15 cents per share as against dividend requirements of 14 cents, which gives a higher yield than most gold stocks at the present time. The company enjoys excellent management and an expansion programme may be expected this year when hydro-electric power is made available. Owing to the nature of the ore occurrences it is almost impossible to appraise the ore reserves, but the officials of the company state they are most satisfactory and that the new lower levels are opening up in a satisfactory manner.

Canadian Securities

Dominion of Canada
Dominion Guaranteed
Provincial Government
and Municipal Bonds

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

3½% ON DEPOSITS
Interest at the rate of 3½% per annum compounded half-yearly makes your savings grow surprisingly fast. Your savings with the Canada Permanent earn this rate with safety.
Founded 1855
CANADA PERMANENT Mortgage Corporation
320 BAY STREET TORONTO
ASSETS EXCEED $70,000,000

The Western Savings & Loan Association
Winnipeg, Manitoba
Agencies:
Butler Byers Bros. Limited, Saskatoon, Sask.
McCallum, Hill & Co., Regina, Sask.
Equitable Agencies Ltd., Calgary, Alta.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
63 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000
Make Mortgage Loans on Owners' Homes at reasonable rates of interest.
ARCHIBALD McPHERSON, President — T. H. MAIN, Manager

1881 COMMENCED BUSINESS

1933
$24,245,253 . . New Business
$188,634,019 . Business in Force
$46,758,032 . . . . . Assets
$5,600,055 . . Surplus Funds
$9,402,301 . . . Total Income
$5,996,924 . . Payments to Policyholders

STRENGTH, SECURITY, LIBERALITY

NEW BUSINESS in 1933 reached the substantial total of $24,245,253. Evidence of the continued satisfaction and confidence of the Company's existing policyholders was demonstrated by their purchase of over 35% of this total.

According to the Company's stringent valuation methods, the Assets aggregated $46,758,032 and the Liabilities $41,157,978. The resulting Surplus of $5,600,055 indicates the financial strength of the Company and the security afforded its policyholders.

In keeping with the Company's record for conservatism, the Invested Assets, on which the Company earned 5.38%, show the following well-balanced diversification and high character; 32.8% Government, Government Guaranteed and Municipal Bonds; 26.7% First Mortgages; 19.2% Policy Loans; 9.1% Corporation Bonds; 5.2% Bank, Loan, Trust and Consumers' Gas Stocks; 3.0% Preferred Stocks; 4.0% Real Estate and Cash in Banks, etc.; less than 1/10 of 1% Common Stocks.

Payments to policyholders and beneficiaries in 1933 reached the record figure of $5,996,924, bringing the total paid since commencement of business to over $70,000,000. Dividends paid to policyholders in 1933 totalled $1,451,116, the highest amount in the Company's history. Since the North American Life is a purely Mutual Company, all dividends are paid to its policyholders.

The Company's strength and security are indicated not only by the conservative values at which its investments are held but also by the resultant ratio of $114.00 of assets for every $100.00 in liabilities. Liberal and fair treatment of the Company's policyholders throughout its 53 years of successful business has been the outstanding principle, and the success which it has met with, not only during the past year but throughout its long career, has justified this course.

NORTH AMERICAN LIFE ASSURANCE COMPANY
HEAD OFFICE - TORONTO, CANADA

Wheat

From Our Grain Correspondent

Southern Shipments Weak

CANADIAN shipments of wheat since the beginning of the year have continued at a fairly substantial rate, and there has not been the selling pressure either from Australia or the Argentine that was expected. Partly that seems to have been due to confusion as to the exact meaning and possibilities of the new Government wheat control in the Argentine. Farmers are currently being offered more for their wheat by the Government than the latter is getting from its resale in export, and the loss to the Government is intended to be made up by profits in exchange transactions from the control that is now being exercised.

Essentially the grain policy is subsidiary to that of controlling the exchange value of the peso, and it would appear that the volume of wheat sales by the Argentine and the continuation of satisfactory prices to farmers may be dependent upon what the Government is able to do in its exchange control.

* * *

Many Factors Govern

FLUCTUATIONS in prices on the Winnipeg market have been very largely related to actual and prospective changes in the relation between the Canadian dollar and the British pound. There still seems to be spreading, both in Europe and on this continent a greater degree of confidence in the future of wheat. Increased attention is being paid to the poor prospects for winter wheat production in the United States, where reports point to steadily worsened conditions. Not for another six weeks, however, will it be possible to say what the extent of winter killing is likely to be, as the late winter is the time when the greatest damage to the crop usually takes place.

* * *

Smaller European Crops

IN EUROPE it is thought that most countries will produce smaller crops of winter wheat than last year, but the actual damage that has been done by cold weather is yet to be determined.

A substantial part of the wheat shipped to China is coming from the Argentine, displacing Australian wheat there.

The Argentine corn crop is running into unseasonably hot weather, and large reductions are now being made from formerly high estimates of the probable out-turn. The Argentine corn trade with Europe has developed to such a large extent in recent years, displacing other grains formerly fed to livestock, that any great reduction might have some repercussions in the wheat market.

DOUBT IF QUOTA FOR AUSTRALIA WILL BE REACHED

Official Estimate Places Crop at Only 150,000,000 Bushels

The Australian government has now made an official estimate of the crop just harvested at 150,000,000 bushels as against the 180,000,000 bushels earlier predicted and a production last year of 212,000,000 bushels.

During the crop year just closed, the official end of the year being on November 30, Australian exports amounted to 149,000,000 bushels of wheat and flour. While Australian requirements are ordinarily estimated to be 50,000,000 bushels annually, it is believed that low prices last year caused somewhat larger quantities than usual to be fed to livestock, so that the total reserves of old crop in the country at December 1 amounted perhaps to no more than 8,000,000 bushels.

May Not Reach Quota

For the current year it is evident that Australia will have no more wheat to export than has been allotted to her under the London Wheat agreement, and in fact might not be able to supply the full quantity of 105,000,000 bushels understood to have been established as her quota. This is especially the case as much of the new crop is considered to be low in quality.

Farmers are reported to be very dissatisfied with the low prices which are currently offered for their wheat, and are not pressing its sale in any considerable volume. Country prices have lately been about 2s. 1d. per bushel, roughly equivalent to 42 cents Canadian.

China and U. K. Disappoint

Australia's principal markets have been in Great Britain and in China, in both of which she has been hard hit recently. The increased production of wheat in Great Britain, under the wheat subsidy, has been much more harmful to the demand for Australian wheat than to that from Canada, as British and Australian wheat are very similar in type, both being soft and white. The market for such wheat has further been depressed by the dumping under government subsidies, of certain quantities of German, French and United States wheat.

Australia had had, in addition, a very well-established demand for certain brands of flour in the Chinese market. This has been largely interfered with by the new Chinese duties which are higher against flour than against wheat, and the Shanghai mills, which are benefitting as a result, have been looking for other sources of supply. While their purchases of Danubian and Argentina wheat have not been very great in quantity they have been sufficient to exercise an adverse influence on the price offered for Australian wheat.

Grain Briefs

Canadian Wheat in store on Jan. 12 totalled 237,027,635 bushels compared with 239,817,364 the week before and 231,000,754 on the corresponding date last year. Canadian wheat in the United States amounted to 11,711,703 bushels of which 4,073,075 were at Buffalo and 5,442,631 at New York. A year ago there were 12,007,750 bushels in the United States of which 6,820,620 were located at Buffalo and 2,550,643 at New York. United States wheat in Canada was shown as 2,248,845 bushels compared with 6,707,566 a year ago.

Wheat Marketings in the prairie provinces during the week ending Jan. 5 amounted to 1,493,297 bushels compared with 1,250,584 in the previous week and 2,483,134 a year ago.

Export Clearances during the week ending January 12 totalled 2,633,028 bushels compared with 2,285,338 in the previous week and 5,465,411 in the corresponding week last year.

Grain and Milling in Canada

YIELD ESTIMATES FOR FIELD CROPS REVISED LOWER

D. B. S. Figures Vary Somewhat from Sanford Evans Estimate

Total crop production in Canada is now placed slightly lower than shown by the estimates of production released on November 10 and 15. All the grain crops, excepting corn, show small downward revisions. Potatoes and turnips are also reduced slightly, while the forage crops are increased by small amounts. Generally speaking, the changes are almost insignificant.

The 1933 wheat crop of Canada is estimated at 269,729,000 bushels compared with the November estimate of 271,821,000 bushels and the revised figures of 443,061,000 bushels for the 1932 crop.

Other Grains Lower

Oats, barley, rye and flaxseed estimates have been reduced by minor amounts and are much below the 1932 estimates. The potato crop is now placed at 41,296,000 cwt. compared with the November estimate of 41,542,000 cwt. and last year's figure of 39,416,000 cwt. Hay and clover is now estimated at 11,443,000 tons compared with the previous figures of 11,291,000 tons and last year's estimate of 13,559,000 tons.

Latest estimate of the W. Sanford Evans Statistical Service, Winnipeg, of wheat production in the Prairie Provinces does not agree with the D.B.S. estimate. The Sanford Evans compilation places the figure at 263,468,000 as compared with 250,840,000 bushels of the D.B.S. The value, according to Sanford Evans was $120,346,000 against the D.B.S. estimate for the Prairies of $110,073,000. Comparative figures for wheat and other grains follow:

Final D. B. S. Crop Estimate Compared With Sanford Evans Report

	D. B. S.	Sanford Evans
	—Yield in bushels—	
Wheat	250,841,000	263,468,000
Oats	177,422,000	173,189,000
Barley	47,243,000	48,403,000
	—Value in dollars—	
Wheat	110,073,000	120,346,000
Oats	29,892,000	31,611,000
Barley	9,396,000	10,992,000

U. F. A. ATTITUDE IS NOT HELPFUL TO ACREAGE CUT

Political Situation Also Obscure After Edmonton Meet

From Our Own Correspondent

EDMONTON.—The attitude expressed by the United Farmers of Alberta in their convention last week was not very encouraging so far as supporting plans of the provincial Government or that of the Dominion for wheat acreage production, and to some extent was a repudiation of the attitude previously expressed both by the Alberta Wheat Pool and the premier of the province.

They expressed a conditional support of the London wheat agreement, and a willingness to see the principle of quotas for wheat deliveries applied to individual farms, but coupled this with a declaration that they had not been responsible for the agreement and if their production was to be cut in consequence they should receive compensation from the Government.

Makes Legislation Difficult

As a result of this attitude it is believed that it would be very difficult for the provincial Government to put through any legislation at the approaching session that would interfere with the production or sale of wheat, as the idea that there is any source from which compensation might come for restriction of wheat acreage or sale is not widely held.

The convention has left the political situation in the province decidedly obscure. Two factions were represented in the convention, one which hoped to cut the United Farmers of Alberta loose from its affiliations with the Canadian Cooperative Federation, and one which hoped to see the principles of that organization endorsed and the connection with the Alberta organization strengthened. Generally speaking, the U. F. A. members in the Dominion Parliament were understood to be in favor of strengthening C. C. F. connections, while the provincial Government, which is nominally a U. F. A. Government, and its supporters in the legislature find that the C. C. F. affiliation is embarrassing at present, and a danger to future election prospects.

A large part of the former U. F. A. membership in the province is resentful of the C. C. F. idea, and the combination of this and of other factors creates doubt as to whether or not the U. F. A. as an organization can win another provincial election.

May Avoid Coalition

There has been a general impression in the province that Premier Brownlee would like to retire from politics, and a great deal of speculation has been current as to the possibility of creating a coalition Government. Since, however, the recent convention has left the political position of the organization in a state of some confusion it is believed that Mr. Brownlee's supporters in the legislature will strongly urge upon him to remain at the head of the Government.

Premiers Hope Dame Nature Will Solve 1934 Problem

No Wheat Control Legislation Probable as Yet—But Propaganda Will Urge Acreage Cut

From Our Own Correspondent

OTTAWA.—The Bennett Government does not favor the creation of a National Wheat Board.

This fact emerged at a brief and informal conference between Premier R. B. Bennett and the Prairie Province premiers last Friday. The conference took place immediately after the Dominion-provincial meet concluded.

Create No Machinery

While a general discussion of the wheat agreement took place, the four premiers did not reach any decisions as to how its provisions should be implemented. It appears that they are satisfied that crop conditions in the West will enable Canada to fulfill the obligations of the agreement without recourse to legislation.

But it is felt that other signatories would appreciate concrete evidence that Canada takes the wheat agreement seriously and this evidence could best be supplied by legislation. It is felt, also, that while the letter of the agreement consists of an undertaking to control exports the spirit of it calls for a curtailment of wheat acreage. To restrict exports while permitting larger surplus stocks to pile up within the country would be considered, with reason, a breach of the agreement.

The Prairie Provinces have agreed to put on intensive propaganda campaigns for reduced wheat acreage in the next three months. They will also study the situation and advise Mr. Bennett as to other measures they deem necessary.

If legislation is thought essential, the present view is that Alberta and Manitoba should follow Saskatchewan's lead and enact a law giving to the provincial governments power to regulate the marketing of wheat. The laws would not be proclaimed unless the wheat crop reached proportions that menaced the agreement. Such laws, of course, could apply only to wheat sold within the province concerned. The Dominion would enact similar legislation covering inter-provincial trade — where a farmer sold to a purchaser in another province. And, in addition, the Dominion would set up a wheat export licensing system to be administered, in all probability, by the board of grain commissioners.

The three prairie governments will keep in close touch with Ottawa on this matter and there may be another conference late in February.

Control Plan Obscure

From Our Own Correspondent

WINNIPEG.—The outcome of discussions at Ottawa between the Dominion Government and that of the western provinces on the subject of wheat acreage reductions has been about as expected.

General opinion has been that any provincial laws restricting the acreage that a farmer might be allowed to plant to wheat would be so unpopular that it would not be practicable to pass legislation to that effect. Nor has there been much more support for the idea of establishing individual quotas for delivery of wheat by farmers, while in addition such a plan has the disadvantage of being likely to produce the opposite effect to the one aimed at, and at least in the first year of its operation to result in more wheat being seeded than would otherwise be the case.

National Process Needed

Dominion and provincial Governments can assist the processes naturally at work for the reduction of wheat acreage by declining to supply seed wheat in such volume as previously to farms where relief measures are required, and encouraging instead the growing of feed and fodder for use by the livestock on these farms.

Propaganda among farmers for voluntary reduction of acreage, may it is thought have some considerable effect, but there is likelihood of destroying the effect if it is accompanied by promises of higher prices as the outcome. Observers are reminded of the experience of the Farm Board of the United States in its latter days, when it preached acreage reduction but concurrently kept on holding out expectations of advances in price, which encouraged farmers to extend, rather than to restrict their operations.

REGINA PROCEEDINGS ARE VALUABLE TEXT

Exhaustive Study of World Wheat Problems in New Book

Students of Canadian and world wheat problems will welcome the apearance of Vol. I of the proceedings of the World Grain Exhibition and Conference held at Regina last year. This volume embraces between 60 and 70 papers which were presented at the meeting in respect of grain production and marketing problems. It is undoubtedly one of the most useful "textbooks" on the world wheat situation and its problems which is available at the present time. A second volume will contain something like 100 papers in scientific research in connection with grain production.

Volume I contains almost 500 pages, is well printed, bound in cloth and easy to read. It contains in addition to the papers on grain marketing and production, a review of the entire Regina conference which was the largest and most comprehensive exhibition of grain and its allied industries ever held.

The material in these volumes presents the findings of scores of workers in the leading universities, experimental farms, and laboratories of fourteen different countries, and includes reports from such agencies as the Food Research Institute, California; Broomhall's Corn Trade News, Liverpool; Dominion Rust Research Laboratory, Winnipeg; Rothamsted Experimental Station, England; Canadian Wheat Pool, Regina; Winnipeg Grain Exchange, Winnipeg; Dominion Bureau of Statistics, Ottawa; Dominion Department of Agriculture, Ottawa; United States Department of Agriculture, Washington; and scores of other famous organizations and institutions.

The following summarizes the main part of the book:

- Present World Wheat Situation and Trends—4 papers on acreage, carryover, and prices.
- World's Import Cereal Requirements—3 papers on consumption trends and requirements.
- Governmental Regulation of the Wheat Industry — 4 papers on tariffs, restricted acreage, and surpluses.
- Merchandising Methods in Wheat Marketing—6 papers on co-operation and grain trade methods.
- Financing Export Grains—3 papers on world finance and futures market.
- Transportation and Storage of Export Grains—2 papers on rail and water transport.
- Economic and Social Aspects of World Wheat Production — 8 papers on Russia, India, Australia and Canada.
- Marketing Grain Through the Livestock Route—6 papers on marketing grain through cattle, sheep, swine and poultry.
- Economic and Social Aspects of Mechanization of Grain Production—9 papers on mechanization in Russia, Canada and the United States.
- Mechanization of Grain Production—15 papers on modern types of farm machinery.

The volume is available from the Canadian Society of Technical Agriculturists, Ottawa. Price $2.75.
gdsme,?fiE-.p qtswY.abs h r d shd

Whisky Exports Double to U. S. During December

Total exports of alcoholic beverages, chiefly whisky, almost doubled in December as a result of the United States finally abandoning prohibition as a Federal measure on December 5, 1933. In December, 1932, total exports were valued at $1,698,000 and in December, 1933, amounted to $3,244,000, all destined for the United States. This is at the rate of $39,000,000 for a year, but the export may be much greater in January and February as the demand from United States distilleries increases for old American type whisky with which to blend alcohols they are making themselves.

Returns of exports and imports of whisky for the 12 months ended November 30, 1933, show considerable reductions from the previous period of 12 months. So far as statistics show the situation therefore, there has been since December 5 a complete change over in trend. With large surpluses to dispose of in Canada, it is an evidence of the power of individual tastes for special brands of whisky that Canada imported whiskies from the United Kingdom to a total of $10,694,000 in 1932 and $9,125,881 in 1933. Total imports of liquor from all countries exceeded $18,000,000 in 1932 and $14,000,000 in 1933.

United Kingdom will serve a taste for Scotch, Irish and English brands in the United States. There is not much suitable for blending, though Ireland reports 2,000,000 gallons available.

Wheat Market Conditions Depressed in Australia

Wheat markets continue in a very depressed condition in Australia and prices have fallen with no consequent increased demand from overseas, according to a cable from that country. Wheat shipments December first to date total 10,391,505 bushels, about two-thirds going to United Kingdom and the remainder to China and Japan. Quotations per bushel about forty cents at country sidings of fifty-one cents f. o. b. steamer with growers not selling freely at present prices.

Flour quotations have weakened slightly. Today's export price per 2,000 lb. ton $21.18 in 150-pound sacks and $21.70 in 49-pound bags. Oversea enquiries not forthcoming. Australian flour millers feel keenly the loss of the Eastern market which was feature of last year's trading.

Flour duties imposed by Chinese Government amounting to about 25 per cent ad valorem on Australian first grade flour benefit the Shanghai flour mills at expense of overseas millers. One cargo only of 4,500 tons has been booked for Dairen (Chinese port), the only active enquirer. New crop chartering is proceeding very slowly at unchanged rates.

Winnipeg Grain Prices

Week to January 23, 1934

Crop year from Aug. 1, 1933 High	Low		Open Jan. 17	High for week	Low for week	Close Jan. 23
		Wheat				
.95	.59¼	May	.69½	.69⅝	.68¼	.68⅝
.71½	.62¼	July	.70⅛	.70¼	.69⅛	.69⅝
		Oats				
.48½	.29½	May	.36¾	.37	.36⅝	.36½
.38⅝	.32⅛	July	.37	.37⅜	.36¾	.36¾
		Barley				
.59¾	.32½	May	.42¼	.43¼	.41⅝	.42
.44⅛	.36¼	July	.43	.43¾	.42½	.42¾
		Flax				
1.71½	1.15	May	1.51½	1.54¾	1.49¼	1.50⅝
1.53	1.39½	July	1.51½	1.53	1.48¾	1.49¼
		Rye				
.68½	.39⅛	May	.50½	.52½	.49⅜	.50¼
.53¼	.48⅜	July	.51⅛	.53	.50⅜	.50⅜

Call For Investigation of H. H. Stevens' Charges

Ontario Provincial Dailies Fearful Nothing Will be Done — Many Newspapers Support Mr. Stevens—All Think Questions Need Airing

It appears to be the unanimous opinion, even among his opponents, that Hon. H. H. Stevens touched on a theme that ought to be further investigated when he openly denounced the buying methods of chain and department store organizations and meat packers and the alleged "sweat shop" practices of clothing manufacturers. Newspaper editorial comment, however, is not unanimous in its support of his attitude.

With the exception of the Daily Star (Liberal), Toronto papers seem inclined to sidestep the issue and reserve their judgment until such time as a full investigation has been conducted. The Toronto Star attributes Mr. Stevens' remarks to the fact that the Government is forced to help manufacturers as a basic policy.

Support Stevens

Ontario provincial dailies, almost all of which are independent in politics, are strong in support of the issue raised by Mr. Stevens. Without exception they bring evidence to light to corroborate Mr. Stevens' allegations and call for an immediate enquiry. Their only fear appears to be that now that Mr. Stevens has made his denunciation nothing further will be done.

The Regina Leader-Post, with Independent-Liberal affiliations, is one of the few papers which delivers a counter-attack to Mr. Stevens' charges. In a recent editorial it argues that if Mr. Stevens knows that abuses are going on why has he allowed them to continue when he has anti-combine laws and minimum wage legislation to correct them.

Toronto's Opinion

Typical of the comment of the Toronto dailies is the following culled from an editorial in the Toronto Telegram:

"Mr. Stevens may be astray in some of his assertions but it is impossible to exaggerate the importance of the issue he has raised. The extent of the existence of the conditions which he has described cannot properly be left in doubt or the subject of dispute."

The Toronto Daily Star delivers itself of this attack on the government:

"There is one dominating thought in Mr. Stevens' mind, as in that of Mr. Bennett, and this thought revealed itself in his denunciation of the massed buying done by department and chain stores. The manufacturers are the chosen people, the supreme care of government. They are sacrosanct. Not only must they be protected against every breath of competition from abroad but here at home they must be guarded and shielded by government against even the rains which fall alike on the just and the unjust."

Morning Papers' Views

Toronto's morning papers comment as follows:

Toronto Mail and Empire—"Though Mr. Stevens was avowedly speaking in his private capacity as a citizen rather than as a Minister of the Crown, it is wholly unlikely that he would have made such statements without the consent of his colleagues in the Cabinet. If what he has said be true, he and his colleagues will have widespread support for any action which the Government may contemplate to root out a growing evil."

Toronto Globe—"The Minister of Trade and Commerce declared his speech was non-political. On other occasions he has declaimed against overcapitalization and other evils by which undue profit is exacted from the public. He may not consider that he has a political right to interfere in a price war benefitting the buyer. Still, there is a big problem to be solved by adequate authority, to prevent seriously depressed prices in bad times and, in good times, prices based on fictitious investments, wasteful and unwise management and excessive profits. "Live and Let Live" is a good motto.

Investigate at Once

Comment of the Ontario provincial dailies takes this form:

Sarnia Observer.—"Mr. Stevens will have the support and commendation of a large percentage of the population if he follows up his speech with official action that will clarify a situation concerning which there is much suspicion.

St. Catharines Standard.—"If the Minister of Trade and Commerce is shooting at something like the Roosevelt new deal in industry, trying to break down ruinous and disastrous competition—we are not supposed to have any child labor in Canada—so much the better. Our whole social and industrial structure can stand improvement without question."

Stratford Beacon-Herald — "Mr. Stevens is a responsible minister of the crown, and it is not likely he would make such statements unless he had information to warrant them.

"Mr. Stevens admitted he had little machinery at his command which would cure the situation. Strict enforcement of a minimum wage law would assist. The desire of people who claim a decent living for themselves to see that others got the same thing would help—in fact it would help a great deal."

Wants Proof of Charges

Calling on Mr. Stevens to support his charges, if he can, the Regina Leader-Post states, as follows, in a recent editorial:

"If departmental stores offer a service to the public, which service is largely patronized, are they to be penalized because they take advantage of massed buying and a big turnover? Is the country to turn against business practices for the main reason that they are too efficient?

"As to sweat shops, are there not laws in Canada to govern health conditions in factories, and in many cases hours of labor and even minimum wages? If there are abuses, they can be corrected by further legislation.

"As to Mr. Stevens' charges that the packers are responsible for low cattle prices in Canada, it will be recalled that this is the second time the Minister of Trade and Commerce has made such a statement. The suggestion is that there is some kind of a combine among the packers. Perhaps there is; the situation looks like one that requires ventilating. Mr. Stevens has an anti-combine act that he can put into use if he wants action. Why doesn't he use it and let in the light?"

Other Comment

Comment of some other newspaper was:

Ottawa Citizen—"It is now being urged that Mr. Stevens come out more plainly and name the offenders, and that the Government take measures to put down the evils alleged to exist. So far, such advice is excellent. But beyond these vague pleas nothing is said. There is no attempt to explain the phenomena Mr. Stevens describes, nor even a suspicion that they are not abnormal manifestations in an industrial world trying to function in the strait-jacket financial system which is at the root of present economic troubles."

Winnipeg Tribune—"Mr. Stevens has opened up a big subject. It requires to be carefully canvassed from all its aspects. Not only its application within Canada, but its bearing on our export trade, requires study. There is even an import trade angle.

"Mr. Bennett has said we cannot have Canadian N. R. A. legislation because we are so largely dependent on export trade There are a large number of industries in which export trade is not a factor at all, and which at the same time are thoroughly protected against foreign competition, and it is in some of these industries that labor has been most unscrupulously exploited."

Sherbrooke Record—"We commend Mr. Stevens for his courage, for his study of his subject, and for his fearless exposition of those who would lower our standard of living by unfair competition in both import and export trade."

SECURITY LOAN ADDS TO RESERVE

Earned 9½ p.c. on Capital; Paid 7 p.c. In Dividends

Security Loan & Savings Co., St. Catharines, Ont., maintained assets at practically the 1932 level during 1933 and earned 9.5 per cent on fully paid capital of $539,800 as compared with 10.29 per cent earned in 1932. Dividends were maintained at 7 per cent and reserve fund for contingencies was increased by $13,585. Liabilities to the public dropped to $1,257,104 from $1,262,841 with deposits showing an increase to $328,418 from $302,833 and debentures outstanding dropping to $922,686 from $952,919.

Principal amount of mortgage investments dropped to $1,603,485 from $1,693,409 while interest on mortgages is up to $50,241 from $37,796. Properties held for sale increased to $81,624 from $61,849. Holdings of Dominion and provincial bonds is up to $273,586 from $223,327 while municipal bonds held are down slightly to $103,197. Cash is down to $24,954 from $29,718. Office premises are carried at $21,723; loans on company's own stock, $13,223; loans on other securities, $6,742.

Reserve against investments in bonds is down to $13,076 from $18,749 and reserve for properties held for sale is down to $8,500 from $10,082. Reserve fund remains at $335,000 and undivided profit is up to $7,958 from $7,577.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1928	539,800	58,183	7	10.7
1929	539,800	57,529	7	10.6
1930	539,800	58,572	7	10.8
1931	539,800	58,287	7	10.8
1932	539,800	*55,552	7	10.2
1933	539,800	*51,752	7	9.5

*After deducting income tax, estimated, 1933, $5,122; 1932, $6,263.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	1,967,861	295,000	1,109,231
1929	2,034,280	315,000	1,155,908
1930	2,134,135	335,000	1,234,977
1931	2,187,699	‡348,830	1,275,364
1932	2,192,942	335,000	1,262,841
1933	2,180,331	335,000	1,257,103

‡Includes contingent reserve $13,830.

Wheat Shipments Running Well Behind Last Year

World shipments of wheat and flour for the week ending January 15 amounted to 10,550,000 bushels as compared with 7,422,000 for the previous week and 16,504,000 for the corresponding week of 1933. Shipments from North America increased by more than a million bushels while clearances from the Argentine and Australia increased by one million and nine hundred thousand respectively. Russian shipments showed a decrease of six hundred thousand.

World shipments have averaged 9.9 million bushels per week during the first twenty-four weeks of the crop year as compared with 11.3 and 15 million during the corresponding periods in 1932-33 and 1931-32. North American shipments have averaged 4.5 million compared with 6.9. Argentine shipments have averaged 1.8 million compared with one million during the same period in the last crop year. During the remaining 28 weeks of the crop year the balance to be shipped averages 11.5 million bushels.

East Kootenay Power Income Shows Contraction

From Our Own Correspondent

MONTREAL.—Contraction in both gross and net operating income during last December is reported by East Kootenay Power Co., subsidiary of Power Corp. of Canada. Revenue received by the company totalled $33,233 compared with $37,448 for December, 1932. Expenses scored a slight drop, but net income at $20,956 compared with $24,668 for the same month of the previous year.

For the nine months ended with December, 1933, East Kootenay reports a gross income of $301,544, expenses $99,452, and net income $202,092. This compares with a gross revenue of $324,133, expenses of $104,229 and net income of $219,904 in the corresponding period of 1932.

Italian Wheat Acreage Lower Than in 1933

The Italian Minister of Agriculture intimates wheat area sown this season to date decreased 10 per cent compared with last year. Forecast to be sown less than in 1933 and 1932. Crop condition affected everywhere by excessive rains especially Venezia, lower Toscana, Campania, Sardinia. Probably 1934 crop insufficient to cover requirements.

RELIANCE GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 Produce Exchange, New York
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

FEDERAL GRAIN LIMITED
OPERATING-TERMINAL-ELEVATORS
FORT WILLIAM-PORT ARTHUR-VANCOUVER
423 COUNTRY-ELEVATORS-THROUGHOUT-THE-WEST
101-COAL-SHEDS
OUR-SERVICE-AND-FACILITIES-GUARANTEE-SATISFACTION

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Winnipeg
Two Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

GRAND TRUNK PACIFIC ELEVATOR CO LIMITED
LOCATED AT FORT WILLIAM ON C. N. R. & C. P. R.
ELEVATOR ABSOLUTELY FIREPROOF THROUGHOUT
OPERATED BY ELECTRICITY—CAPACITY 5,750,000 BUS.
Frederick B. Wells, President
J. E. Dudley, Vice-Pres. and Gen. Mgr.

Jamaica Public Service Revenue Holds for 1933

From Our Own Correspondent

MONTREAL.—Jamaica Public Service's surplus after all charges in 1933 totalled $213,493. This compares with $213,930 in the previous year. Gross earnings last year amounted to $802,259, as against $790,917 in 1932. Operating and prior expenses were slightly higher so that net earnings totalled $327,108, or only $1,440 more than in the preceding 12 months.

The showing made by the company last December was not as favorable as that made during the whole year. Gross earnings at $81,229 were $3,470 higher than in the same month of the previous year. Net earnings, however, were $3,351 lower at $36,789, while the surplus after charges totalled $27,354 compared with $30,846 in December, 1932.

Manitoba Power Net Income Off in November

From Our Own Correspondent

MONTREAL.—Manitoba Power Co.'s revenue last November was off slightly compared with the same month of the previous year. Income totalled $104,455, a drop of about $4,200. Operating expenses show relatively little change, leaving net income at $78,708 compared with $82,790 in November, 1932.

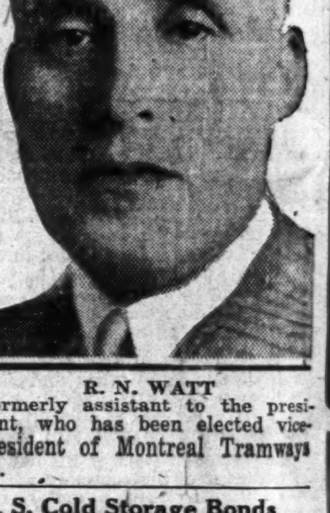
For the first 11 months of 1933 Manitoba Power had an income of $1,139,330, from which was deducted expenses of $266,832, leaving a net operating income of $872,498. For the same period in 1932 gross revenue totalled $1,235,540, expenses $296,368 and net income $939,172.

Windsor Plans Amortization Tax Arrears Over 6 Years

Windsor city council, board of supervisors, and the city's bankers have arranged a plan for amortization of taxes in arrears at Dec. 31, 1933, over a six-year period. Contingent upon payment of current taxes, the scheme will allow taxpayers in arrears to pay 15 per cent for each of the first three years, 20 per cent for the next two years, and 15 per cent in the final year. Interest on the overdue payments will be at six per cent.

The scheme was a compromise between plans suggested by the council and the board of supervisors. The council moved for amortization over seven years, while the supervisors had suggested a five-year, equal-installment plan.

Tramway Executive



R. N. WATT

Formerly assistant to the president, who has been elected vice-president of Montreal Tramways Co.

N. S. Cold Storage Bonds Exchangeable Par for Par

Rights of bondholders of Nova Scotia Public Cold Storage Terminals have been restricted and limited to exchanging bonds for Halifax Harbor Commission debentures, by terms of the special resolution passed at the recent meeting of bondholders.

Bondholders are entitled to exchange each $500 principal of N. S. Cold Storage bonds, with May 1, 1932, and subsequent coupons attached, for $500 of three per cent debentures of Halifax Harbor Commissioners with May 1, 1934, and subsequent coupons attached. Montreal Trust Co., Montreal, is arranging the exchange.

Public Utility Earnings

East Kootenay Power

	1933	1932
December:		
Gross revenue	$33,233	$37,448
Oper. expenses	12.277	12,780
Net income	20,956	24,668
Nine Months:		
Gross revenue	$301,544	$324,133
Oper. expenses	99,452	104,229
Net income	202,092	219,904

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President and Managing Director
FRANK S. MEIGHEN, C.M.G.
Vice-President: HUGH MACKAY, K.C.
General Manager: C. H. G. SHORT
Directors
N. J. BREEN, JOHN W. HOBBS, HUGH MACKAY, K.C., WALTER MOLSON, ISAAC PITBLADO, K.C., R. W. REFORD, RT. HON. LORD SHAUGHNESSY, K.C., PAUL F. SISE, G. W. ALLAN, K.C., HON. RODOLPHE LEMIEUX, J. W. PYKE
Secretary: D. A. MacINNES
Treasurer: A. C. McMILLAN
Asst. Treasurer: R. R. HUTCHISON

Grain Merchants
Shippers & Exporters
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 250 Elevators in Western Canada

JAMES RICHARDSON & SONS LIMITED
WINNIPEG · KINGSTON · MONTREAL · VANCOUVER · CALGARY · EDMONTON · MOOSE JAW · SASKATOON · REGINA · TORONTO

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 27, 1934 | 10c a Copy; $5.00 a Year | No. 4

PARLIAMENT FACES ISSUES OF FINANCE

Notable Legislation Will Be Brought Down

SEE BUSY SESSION

Central Bank, Change in Note Provisions, Farm Credit Seen as Puzzles For Parliament

From Our Own Correspondent

OTTAWA.—The new session of Parliament is confronted with financial questions of great magnitude.

While the legislative programme of the government and the score or more of private resolutions, each calling for changes in statutes of Canada, directly affect every branch of commercial activity in the country, the session, undoubtedly, will be devoted chiefly to financial problems.

Added interest and importance attach to the proceedings on Parliament hill by reason of the fact that this is the fifth session of the present Parliament, and few of its predecessors have seen more. In a word, 1934 may and probably will be an election year. Such, at least, is the view of the Opposition groups. As a result, the deliberations of Parliament will be heavily freighted with politics. To the press of great financial issues will be added the strain of Parliamentary electioneering. Oppositionists will develop to the utmost every means of embarrassing and harassing the government. Under these circumstances, the Bennett government will be compelled to advance a programme of legislation as important as has confronted Parliament since war years.

Financial Programme

The financial legislative programme will commence with amendments to the Dominion Notes Act, changing the gold support of the dollar; will follow with legislation creating a Central Bank, renewals of the charters of the banks and will include, almost certainly, a scheme of intermediate credits.

The extent of the monetary changes decided upon by the ministry, it is learned, must await a more complete understanding of the Roosevelt recovery programme. Canada will follow the Roosevelt lead in part; will adopt as much of inflation as may be possible without sending the Canadian dollar tumbling out of line with foreign exchanges. It is the official view, here, that the recent Roosevelt announcement foreshadows stabilization of the United States dollar. If so, the Bennett government will not adopt any policies which would tend to make international stabilization of currencies more difficult.

Could Issue $100,000,000

One change that may be accepted as certain to be made is that the gold support behind our currency will be reduced to 25 per cent—in keeping with the resolution approved at the London Economic Conference. The latest currency figures show that gold reserves amount to 40 per cent of outstanding currency, if Finance Act discount operations are included, and about 50 per cent if not. The currency issued by Ottawa to the banks in discounting gilt-edged securities is, by many economists, ignored in considering the effect of the proposed change. The discount operations will be carried on in future by the Central Bank and they have never been tied, even remotely, to gold. If Finance Act advances, therefore, are ignored, the Dominion government by adopting a 25 per cent gold support would be able to issue well over $100,000,000 of new money — thus providing funds for the Federal public works programme and for other purposes.

It is not improbable, also, that the existing law will be amended to empower the government to reduce the gold content of the dollar, along the lines adopted by Mr. Roosevelt. This would enable further unsupported currency to be issued.

Influenced From Outside

The controlling factor in the application of these policies will be the effect upon the value of the dollar at New York and London. Since September 1931, the Canadian dollar has followed the pound and the American dollar in a downward course, notwithstanding the fact that our gold reserves have been maintained. It is true that the government put a stop to private export of gold, but this move was not followed by any weakening of our gold support. The years have proved that the Canadian dollar moves in sympathy with London and New York, regardless of domestic gold reserves. At the moment our dollar stands about even with the American dollar which is worth only 60 cents odd in gold.

The government feels that since gold reserves have been of small effect in maintaining the value of the dollar, little harm can result from adopting a policy endorsed by all the leading countries of the world—cutting reserves to 25 per cent. Likewise, the government is inclined to the view that if our dollar has fallen to about 60 cents and if a general measure of stabilization is to be carried through on that level, there is no reason why the official gold content of the dollar should not be reduced accordingly.

The twin policies could be used to release a very large amount of new notes—nearly $300,000,000. It does not follow that the new currency will necessarily be issued. There's more to the problem than gold backing.

Central Bank Legislation

Second in importance to the monetary legislation is the proposed Central Bank Act. This measure is now being drafted and the government intends to follow the recommendations of the Royal Commission closely.

The third major financial measure will be the renewal of the bank charters. The usual House of Commons banking enquiry will be held and it is a foregone conclusion that every currency and banking crank in the country will be on hand. The Douglasites and soft money enthusiasts in the House of Commons have long been waiting for this opportunity. Their proposals will cover a wide range, from complete nationalization of the banks to the relatively minor question of whether or no they should act as bond sellers.

More Credit for Farmers

Finally there is almost certain to be legislation setting up an intermediate farm credit scheme. This legislation has not yet reached the "drafting" stage but prevailing opinion is that intermediate credits should be added to the Farm Loan board and the one organization be made to administer both forms of credit. Intermediate credits are defined as loans to farmers for periods of from one to four years, to cover expenditures such as new breaking, purchase of cattle, etc., which do not give a return for a year or two. The scheme will fill the gap in the credit structure between bank loans (3 months) and mortgages.

Model Law for Companies

The fate of the model companies act which has been drafted jointly by the provinces and the Dominion is very uncertain. Until all the provincial attorneys general have handed in their views, the Dominion government will not decide if the measure is to be introduced this session or not. Even if it is, the chances of enactment in the original form are believed to be very doubtful. Powerful interests at Ottawa are opposed to the new act, have always been, and will have much to say with the final decision. Even should the model act escape amendment in the Commons, the treatment it would receive in the Senate is most uncertain.

Miscellaneous Legislation

The Excise Act will be completely overhauled and modernized. Officials are now re-drafting the statute and it is too early to decide on the importance of probable changes.

Legislation extending the Unemployment Relief Act until March 31, 1935, is a certainty.

Legislation ratifying the Wheat Agreement is also certain, though the nature of the enforcing legislation remains in doubt.

The drive for Dominion farm marketing legislation is tending to peter out. The chances of the government bringing in a measure of this kind will depend very largely on the demand for it which arises from rural members.

Little Tax Relief Seen

The budget legislation is likely to recede in importance, in comparison with previous sessions. In 1930, 1931 and 1932 taxation and tariff were the outstanding questions. Last session was overshadowed by the railway problem. This year's budget, while it promises little relief for the taxpayer, is unlikely to add to his difficulties. Federal taxation will remain constant, unless the government decides to use some of the new currency issues for budgetary purposes, when slight reductions would be possible. Tariff changes are unlikely to be numerous but will almost certainly include a revision of the British preferential tariff on cotton yarns. The annual deficit will be approximately $135,000,000 including relief and the railway deficit—an improvement over last year.

Overhaul Radio Set-up

The statutes dealing with the National Radio Commission will be thoroughly overhauled. This is inescapable because the statutes of last session expire March 31, next. There will probably be an enquiry by a House of Commons committee and the legislation to follow will be based upon the Committee's report.

The Gibb report on harbor commissions and navigation problems will be acted upon this session. This probably entails the creation of a Federal commission to control navigation and shipping on the St. Lawrence.

The Canada Shipping Act, postponed from last session, will be introduced in amended form and enacted.

Private members will raise a number of important questions by way of resolution. The question of socializing life insurance will be debated. The advisability of charging tolls on canals will be discussed. The restoration of titles will be under fire. And the usual attempts to modify the Criminal Code with respect to sedition and the Immigration Act with regard to deportations will be made. State lotteries will be one of the lesser issues to be determined by the House of Commons.

Finally, there will be the usual run of departmental legislation—minor changes in innumerable statutes and modifications in legislation dealing with administration.

Momentous Decisions at Ottawa Parley

Most Important Dominion Gathering In Years Proves Solidarity of Nation

From Our Own Correspondent

OTTAWA.—Three decisions vitally affecting policy in the present year were reached at the Dominion-provincial conference which concluded last Friday.

1. The credit of the provinces was pronounced, in effect, to be as essential to the financial integrity of the Dominion as the credit of the Dominion government. This means that the Bennett ministry will continue to provide loans to the western provinces to whatever amount may be necessary to meet their debt maturities and other inescapable obligations.

2. The Bennett government will launch a large programme of purely Dominion public works next April.

3. The Bennett government will continue, at least until December 31, the policy of contributing to the cost of direct relief.

"One and Indivisible"

These decisions which were the result of much discussion and, in some cases, of acute controversy, mark the conference as one of, if not the most important to be held since the Fathers negotiated the pact of Confederation. The first decision, in fact, means that Dominion and provincial credit are to be held as one and indivisible. Maintaining Canada's credit, hereafter, will mean maintaining the credit of the provinces. This is the true significance of what happened last week. And in reaching this decision nothing was said, one way or the other, about conditioning Dominion loans to the west upon Dominion supervision or budgetary control.

No Political Self-Seeking

But the mere list of the definite decisions of the conference would fail entirely to convey its significance. There have been many similar conferences since Confederation, but none like this one. As a rule they have been occasions for political manoeuvring, for strategic moves in the game of Dominion or provincial vote-catching. Delegates have sought to improve their own electoral chances or to embarrass those who represented the opposing party. Grit provincial delegates endeavored to injure a Tory Dominion ministry, and vice versa. As a side issue to this larger scheme, the provinces usually set out to wangle concessions from Ottawa.

This conference was different. It was in the tradition set by the Fathers of Confederation. Politics, as such, played no part. Delegates momentarily forgot whether the other fellow was friend or foe. They fought over some questions —notably unemployment relief — with frankness and at times with bitterness. But their controversy was of the kind that springs from deepest conviction.

One National Fabric

From beginning to end there was about this conference an emotionalism, a flame of patriotism, which made the proceedings unique. Delegates met at Ottawa to face a situation in many ways critical and more emergent, perhaps, than any which has arisen since 1867. More than one province regarded the conference as an acid test of Confederation. The delegates may or may not have acted wisely. But they examined the situation in all its implications. They faced it open-eyed, and without fear. To the four western provinces, at least, the results proved that this Dominion is something more than an agglomeration of provinces scattered across the north half of a great continent. Peril had the immediate effect of proving all nine provinces to be inextricably woven into one national fabric. Three provincial premiers spoke to The Post correspondent immediately after the conference bearing tribute to its inspirational quality.

Vote Money For West

There were moments at the conference when delegates found difficulty in suppressing their emotions. One such was the extraordinary spectacle of the five eastern provinces voting unanimously in support of a resolution unconditionally approving the granting of further loans by the Dominion government to the western provinces. In doing so they automatically waived all claim to equality of treatment. As western premiers rose in turn to express gratitude, they had difficulty finding words capable of conveying the depth of their feeling. And when Mr. Bennett followed with a dozen sentences declaring that the conference would be a great success if nothing else were done, the delegates sensed the fact that the occasion was historic—that a new national policy had been born. Recalling the disputes of the past with regard to equality of treatment, both as to territory and subsidies, it was without precedent.

Companies Act Draft

The conference produced numerous decisions of importance.

The draft of the new companies act was circulated among delegates and was approved in principle. The delegates will take their copies home for further study and will submit their views, in writing, before March 31. If necessary a further conference will then be called. If not, the bill will be introduced and enacted this spring in the various legislatures and the federal parliament.

The Dominion delegates announced that marketing legislation is being studied thoroughly and that legislation may be introduced this session.

The Dominion delegates announced that if a sound scheme of intermediate credits can be worked out (the task has been taken in hand by W. C. Clark, deputy minister of finance) legislation will be enacted this session.

Expect Liquor Tax Cut

The provincial delegates strongly pressed for a reduction in the excise tax on liquors from $7 to $5 per gallon. Mr. Bennett refused to commit his government but smilingly informed the conference that they would get the answer in the Rhodes budget. The general impression is that the cut will be made.

The conference enthusiastically endorsed the unemployment land settlement policy and it was decided to provide $700 per family instead of $600. The additional $100 will be used to provide settlers with essential supplies in their third year. Hitherto all assistance has been withdrawn after the second year.

Provincial Relief Bodies

Provincial relief commissions with power to issue bonds under provincial and Dominion guarantee were approved by a narrow majority. Quebec originated this idea as a means of freeing municipalities from relief costs. Mr. Taschereau declared the position of some of the cities in his province was serious. Other provinces were not in favor of releasing municipalities from responsibility for unemployed. As the matter stands, any province which desires to organize such a commission to administer all unemployment relief within its boundaries, may negotiate with Ottawa. If an agreement can be reached, the commission will be created. It is unlikely that any province other than Quebec will proceed further with this policy.

Suggestions Turned Down

In a negative sense, the conference achieved several momentous decisions.

The proposal that the provinces should be encouraged to convert their debt, under a Dominion guarantee, and thus reduce interest charges, was turned down.

Much the same fate met the suggestion that state lotteries be legalized. This matter was left for debate and decision by parliament —where it was heavily defeated in the Commons last year.

The question of readjusting the taxation powers of the Dominion and the provinces was discussed and the federal cabinet will consider if investigation by a Royal Commission is advisable. It is unlikely that anything more will be heard of this suggestion.

No Royal Commission

The recommendation from Quebec that a Royal Commission be appointed to enquire into the financial condition of the four western provinces and their prospects of recovery was negatived.

British Columbia's request that the Dominion take over the Pacific Great Eastern Railway was emphatically refused.

A recommendation that pensions be paid to the blind was sidetracked on the ground that it was untimely.

Unemployment insurance was not mentioned, nor was there any reference to the proposed Central Bank.

Relief Chief Problem

The greater part of the conference was devoted to a discussion of unemployment relief and the financial position of the provinces. With regard to relief, the Dominion Government announced a policy at the outset. It was said definitely that Ottawa would initiate a public works programme in the spring. Ministers did not divulge the extent of the programme or the manner in which it would be financed. But they did say that the government was not in favor of continuing the tri-partite relief policies initiated in 1930. Ottawa desired to withdraw from financial assistance to the provinces both for direct relief and public works. Dominion ministers proposed that the Dominion should cease assisting the provinces at the end of the present fiscal year—March 31. This proposal was accompanied by an intimation that the time had come to cut down relief and that this could be done the more successfully because the Federal works programme would rapidly expand employment.

Taper Off Assistance

The provinces were unanimously against a stoppage of Dominion assistance and very strong language was used. Mr. Taschereau, of Quebec, is reported to have said that discontinuance of direct relief assistance would bring riots and unrest in large cities like Montreal. Mr. Brownlee expressed the opinion that the Dominion would have to spend as much, maybe more, on an army to maintain law and order as it was now contributing to the provinces on account of relief.

Under pressure the Dominion Government explained that the decision was not "rigid" and it was later suggested that Dominion aid be tapered off gradually, running along, say, until May or June. This being unacceptable to the provinces it was agreed finally that Dominion aid should continue, if necessary, until December 31, when the situation will be canvassed anew.

Dole Not Permanent

It is doubtful if the Dominion expected to get away with the original proposition. The impression prevails that Ottawa was stressing the need to pare down relief costs to the minimum and was endeavoring to circulate the impression that the dole is not permanent.

But the net result of the discussion was that Ottawa will continue the direct relief payments this year and, also, will finance the public works programme. The extent of this programme is estimated, unofficially, at about $50,000,000 and the kind of works to be covered will be post offices and other public buildings where the Dominion now pays rentals; bridges, navigation improvements, etc. The programme will be financed, according to very reliable information, along the lines suggested by Mr. Bennett in his radio speech. The gold support for currency will be reduced from 40 to 25 per cent, thus enabling some $100,000,000 of new money to be issued.

Disclaim Extravagance

The discussion on the financial condition of the provinces brought very plain speaking from western premiers. Premier Pattullo of British Columbia gave a detailed report of the accumulated deficits facing his government and of the impoverishment of the exchequer. Practically all that he said has been spoken from public platforms since the defeat of the Tolmie Government.

Premier Brownlee made one of the most impressive speeches of the conference when he undertook to defend the western provinces from charges of extravagance. He stressed the difficulty and the expensiveness of government in the West. Each province comprised a vast territory, thinly populated but requiring to be organized, policed and served with such essentials as roads and telephones. He declared that since 1930 western provinces had enforced severe economies. They had cut their controllable expenditures by from 25 to 30 per cent. Any banker or bondhouse expert, he remarked would verify these figures.

Need Western Prosperity

He drew attention to the fact that the country had been built upon a continent-wide basis and that it was unsound to believe that great Canadian companies like the railways and larger eastern industries could be prosperous until large volume traffic once more began to move east and west. Western products had to resume their normal flow eastward to foreign markets; manufactured goods had once again to flow westward to consumers.

Premier Bracken ably supported Mr. Brownlee. The basic facts regarding western finance, he said, were to be found in a comparison of prices of farm products between the pre-depression period and today. Had farm prices of 1925-29 continued in 1930-33 (inclusive) the West would have been richer by $1,800,000,000, or enough wealth to meet all obligations—provincial, municipal and individual—many times over. But prices had fallen to low levels—in one case the lowest for 400 years—with the result that the West's income had dropped dizzily and all governments had suffered.

If farm prices could be restored there would be no western financial problem. If only the price of wheat could be raised from 70 cents to $1, the difficulties would vanish overnight.

But while the revenues of western provinces had collapsed, expenditures had zoomed upward. Unemployment and drouth relief had cost many, many millions. The expenditure was not escapable, unless as a matter of public policy citizens were to be allowed to starve and freeze to death.

Western premiers stressed the view that in the present emergency they had five courses of action. Expenditures could be cut—this had been done ruthlessly. Taxes could be increased. This, too, had been done to the point where taxpayers threatened to strike. Both policies had failed to yield balanced budgets because the savings and higher taxes had been swallowed up by the general dwindling of revenues and the insatiable demands of unemployment relief. The third course was to borrow to meet deficits. This had been done until interest rates reached a point where the money markets might be considered closed.

This left two courses. The West could borrow from the Dominion Government to meet inescapable obligations. Or they could call in their creditors and make an adjustment with them (meaning default).

Refuse Beggar Rôle

This was the way in which the West presented its case to the conference. The premiers did not ask for further loans. They ascribed their plight to prevailing price levels and they left it to the conference to determine which of the last two alternatives should be adopted. They were careful to explain that they were not speaking as representatives of their provinces, but as citizens of Canada. They refused to accept the rôle of beggars or poor relations. They urged that the problem should be decided not from the standpoint of what might be best for the West but of what would be best for the Dominion as a whole.

Bennett's Faith in West

Mr. Bennett's speech, in summing up, was one of the determining factors in what followed. He detailed how the Dominion Government had striven with all its power, and successfully, to maintain the credit of Canada through the depression. In doing this the cabinet had believed it necessary to sustain the provinces. Trade conditions, he thought, were improving and there was every reason to believe that better times were coming. He was satisfied, as a western man, that with a recovery of prices the western provinces could and would repay every dollar of the Dominion loans. This speech was an unmistakable invitation to the delegates to approve of the policy hitherto in operation.

The facts were threshed over carefully. Mr. Taschereau, alone among eastern premiers, was inclined to the view that the wisest course might be for the West to face its problem unaided by Ottawa and to arrive at a settlement with its creditors. He voiced this view in no unfriendly or critical spirit. In fact there were influential members of the western delegation who agreed with him. Mr. Taschereau did not press his view and the resolution subsequently adopted was unanimous.

At the other extremity of the country, the Maritime Provinces brought up the question of whether or no all the recommendations of the Duncan Commission have been implemented. Premier Bennett promised to appoint a subcommittee of cabinet to go into it.

War on Waste

Ontario's Agricultural Development Board had loans outstanding of $42,152,965 at Oct. 31, 1932, the last date for which accounts are available. In addition there was $3,318,056 in accrued interest, a total of $45,471,021.

This venture of Canada's wealthiest province into the farm lending business indicates that possibly millions in losses will have to be written off before the end. The board made allowance in 1932, for instance, of $113,195 for losses on farms realized upon and for taxes. But no reserve had been built up for possible losses in the future. This means that the board is taking only the losses actually realized, and is not recognizing that there are such things as potentially bad and doubtful debts.

The borrowing farmer, hard hit by depression, cannot be blamed for the losses. The waste is in government invasion of the farm lending business when other agencies were withdrawing from it. If the loan scheme had never been started, both farmers and government would have saved money. While farm and government agencies thought it was a wise thing to lend to farmers, it is now evident that a disservice was being rendered by helping farmers stave off insolvency only to put them deeper in the hole.

Branch Plants in Canada

Editorial in the New York Times

In The Financial Post of Toronto Professor Kenneth Taylor has an informing and judicious article on the outside companies that have established branches in the Dominion. Some came as early as 1880, but most since the war. In 1919 there were two hundred of them, in 1930 twelve hundred. There are now probably fifteen hundred. Some are invited by the natural advantages of the country. Cheap power draws some. Efficient and somewhat cheaper labor brings others. The forests and waterfalls attract the pulp and paper manufacturers. The Canadian tariff had been the magnet in many instances; and special inducements have been given by many municipalities.

Far less hide-bound than our protectionists, the makers of the Canadian tariff, sometimes skilfully responding to American efforts to obstruct trade, have made their schedules such as to allure or even compel the setting-up of foreign branches. Sometimes they have begun by laying a duty on the completed article, letting in free materials and parts. Then, by gradual adjustment, parts are made dutiable until 70, 80 or even 100 per cent of the article has to be made in Canada. Another powerful motive for the immigration of American industries is found in Canada's more favorable position in overseas trade. Through Imperial Preferences Canadian goods are admitted into empire markets free or at a lower rate of duty than foreign goods of the same kind.

In some cases Canadian commercial treaties with foreign countries give Canadian-made goods a decided advantage. Thus agricultural implements, automobiles, electric apparatus, certain chemicals and pharmaceutical products, tires, can be exported to "many markets on more favorable terms from Canada than from the United States." Of the $2,500,000,000 of outside capital invested in Canadian public utilities and manufactures, $500,000,000 is British, the rest American. In branch plants the Americans have put $1,200,000,000, the British only $250,000,000. Some patriotic Canadians have worried a great deal about "foreign control." Yet foreign investments, which in 1915 were 56 per cent of the whole industrial and funded capital of the Dominion, in 1930 were only about 35 per cent. According to Professor Taylor, there is no evidence of "foreign control" or of political influence. The labor policy of the American plants is never worse and sometimes better than that of the Canadian. In 1930 Canadian shareholders owned 17 per cent of the branch plants.

Some pother has been made about the American plants as nothing but "assemblers." Many branch plants started as assembly plants. Many once foreign plants have passed into Canadian hands. That is the tendency. Moreover, the Canadians already have 60 or 70 branch plants in the United States or other foreign countries. The branch plants have had a great part in the development and diversification of Canadian industry. The labor they employ is mainly, sometimes all but entirely, Canadian. The chauvinists who dread "Americanization" are reminded that the number of Americans resident in Canada decreased in the very period when the branch plants increased mostly notably. The Canadians are not being Americanized. They have their own atmosphere and mode of living. Their common culture "in the degree to which it exists is a product of the motor car, the movie, the radio, the magazine and the syndicated press, fundamentally, of course, the product of geographical neighborhood. It is not the result of the sale of bonds or the ownership of factories. The bonds and factories are more the result than the cause of our alleged Americanization."

St. Catherine Improvement Propose Trust Deed Change

From Our Own Correspondent

MONTREAL. — St. Catherine Improvement Co. is calling a meeting of the 6½ per cent first closed mortgage bondholders on February 18 to waive default of sinking fund payments due July 1, 1933, and January 1, 1934, and to approve a proposal whereby principal and interest payments in future will be made in Canadian funds. Hitherto the bond principal and interest has been payable in Canada and American funds.

Larger Asbestos Shipments

Shipments of asbestos by Canadian producers amounted to 19,524 tons in October as compared with 18,564 tons shipped during the preceding month

U. S. Monetary Policy Leads Back to Gold

New Roosevelt Moves Seen as a Step Toward Stabilization—No Currency War with Britain

By DR. GAINES T. CARTINHOUR, School of Commerce, Accounts and Finance, New York University

NEW YORK.—President Roosevelt's new monetary measure is generally considered to be the most important document that has been drawn up during the present administration since the National Industrial Recovery Act. The following recommendations are incorporated:

(1) Devaluation of the dollar at not more than 60 per cent nor less than 50 per cent of the gold content of the dollar;

(2) Establishment of a stabilization fund (similar to the British), estimated at $2,000,000,000, which may be used to buy and sell gold and also foreign exchange in order to try to prevent those rapid changes in value which so demoralize foreign trade (this fund may also be employed in the purchase of U. S. Government securities); and

(3) Transfer all the gold stock of the nation, including that in the Federal Reserve Banks, to the U. S. Government and give the latter any profit that may result from an increase in the dollar value of this metal.

A world-wide agreement on a uniform monetary policy is also suggested, and a possible redistribution of the world's gold stock. This implies a growing appreciation of the need of international stabilization, and an ultimate return to a gold standard.

Effect on Canada

If this latest monetary plan should help to restore commodity prices and stimulate business in the United States, it could not help but be to the advantage of Canada. The general impression in New York is that since Canada has followed the U. S. dollar down to its present valuation without any significant disturbance of exchange, the movement toward stabilization around current quotations will not materially affect Canada. Should Parliament reduce the gold content of the Canadian dollar before the end of the coming session, as is expected, so that there would be a new gold standard of 14 or 15 grains of pure gold to the dollar, the nominal value of the dollar would more closely correspond to its legal value expressed in gold or in currency of countries such as France, which still adheres to a gold standard. Canadian foreign trade would be affected because the prices of goods exported or imported in large quantities are directly responsive to changes in the value of the Canadian dollar as measured in foreign currencies.

The Roosevelt administration believes that a reduction in the gold content of the dollar increases prices of goods the dollar purchases. Since more of the cheaper dollars are then necessary to purchase the same quantity of a given commodity (it is argued), the price of the latter will rise. In foreign trade, as the dollar drops in terms of French francs, thereby raising the relative value of the latter, the price of commodities shipped to France is said to rise.

Ten Cents Margin

Varying the gold content of the dollar from time to time by the method of indexing or averaging commodity prices is no longer to apply to the entire 100 cents, but merely to a 10 cent margin. Such a variable margin is something new in world currencies, though advocated for years by John Maynard Keynes of Great Britain and Professor Irving Fisher of Yale University. The upper limit of 60 cents has been fixed in accordance with tradition since the rule has always been that devaluation is a ratification of an existing level. As is well known, the dollar has been rather steady in this neighborhood for a considerable period. The 10-cent margin may be convenient should foreign governments retaliate by depreciating their own currencies or other contingencies arise.

It should also be pointed out that no country has ever devalued its currency under circumstances like those now existing in the U. S. Devaluation has been effected before in various countries but always in recognition of existing conditions. Many countries have had to devalue to get more gold. When France last devalued, the object was not to bring about an increase in prices but maintain a level then existing. At the present time, there are many who doubt if the level of prices in the U. S. as compared with the level elsewhere supports the idea of devaluation.

Of course, there is one advantage of devaluation on the proposed basis which is unquestioned and that is that it somewhat lessens the degree of uncertainty about the currency. However, there is no definite assurance that there will not be additional experimentation with the American dollar.

Take Gold Profit

As indicated previously, another important part of the new plan provides for impounding all of the nation's monetary gold in the U. S. treasury. The administration believes that the Government must "be the sole custodian and owner of the base or reserve of precious metals underlying its currency" in order to be able to maintain a proper relationship between prices and currency. The gold stock now totals in round numbers $4,232,000,000, of which $446,000,000 is in the treasury; $3,676,000,000 is held by the F. R. Banks; and $310,000,000 is "in circulation."

The Government is unquestionably entitled to any dollar profit that might come from devaluation. The experience of other nations with currency devaluation has been along this line. In the case of France and Italy the respective central banks had a credit with the Government which was paid off. In the U. S. the issuance of gold certificates for bullion instead of coin is in line with what is known as the gold bullion standards of Great Britain and France. Even before Great Britain in 1931 suspended her gold standard, the United States was the only country that agreed to redeem small amounts of the unit of value in gold of a fixed standard of weight and fineness.

Want to Retain Gold

However, there has been considerable feeling in the Federal Reserve against the transfer of title and residence of the gold. It would have been relatively easy for the Reserve Banks to have given the treasury a credit for the profit, which could have been used either to extinguish the Government debt to the system or to manage an exchange stabilization fund. Many believe that the independent central banking system, which was designed to provide an elastic currency, responsive to the expanding and contracting demands of trade, is in process of being scrapped.

The substitution of gold certificates for all gold reserves, and the possibility of the treasury operating in the open market and otherwise influencing credit if it so desires are two points over which much controversy exists. Critics allege that such powers would constitute a central banking authority in the treasury department and usurp many of the activities of the Federal Reserve System. It should be noted at this point that the $2,000,000,000 stabilization fund can be used for domestic open market operations as well as in the foreign market. Debate about the constitutionality of the treasury taking title to the gold and other aspects of the programme has not created any serious difficulty.

Possible Currency Totals

The $4,232,000,000 in gold at the old parity will be worth in dollars under the devaluation plan between $7,349,000,000 and $8,646,000,000, according to whether the dollar's value is cut to 60 or 50 cents in gold. Under present laws currency with a metallic base is supposed to be backed with a minimum of 40 per cent in gold and 100 per cent in commercial paper. The present gold holdings would then support in revalued dollars anywhere from $18,372,000,000 to $21,615,000,000 against the present $5,684,000,000 (money of all kinds). If the gold backing is cut from the present 40 per cent to 25 per cent as is urged, the present gold holdings would support $29,396,000,000 to $34,584,000,000 in currency. This takes no account of the money the Federal Reserve Banks can print with Government bonds as the sole backing. There is no limit to the amount of these notes that can be turned out. The question might be very logically raised whether fiat money would be necessary, regardless of what monetary policy may be pursued.

Out of the potential profit from devaluation will be set up the stabilization fund of $2,000,000,000, which will be managed by the secretary of the treasury, for the purpose of controlling foreign and domestic exchange rates. It is to be set up for three years at least; its activities are to be profoundly secret, known only to the president and the secretary of the treasury; and only infrequent audits need be submitted to Congress—perhaps only one, at the end of the president's term. To date, actually, the Reconstruction Finance Corporation, with its gold buying powers, has been filling all the duties of a stabilization fund without the title.

British Have Fund

Such a fund now exists in Great Britain and France. The American fund differs from the British fund in several respects. It is larger by at least $200,000,000, and some of it is to be applied for the support of government securities in the domestic market. The British fund was designed to equalize or level out extreme fluctuations in exchange, without regard to fixing a permanent value for the pound, while the American fund will go into operations after so-called stabilization and will be designed to make effective the new value of the dollar.

The effectiveness of the American fund, under any conditions, is questioned by many experts who have been testifying in Washington, D.C. Of course, the repatriation of American capital now in Europe should be handled in an orderly manner. Add to this, the expected influx of European capital at 50 or 60 cents on the dollar and the normal favorable trade balance, and some idea can be gotten of the job ahead of the American Stabilization fund.

While it is not expected directly to assist the Government in its tremendous financing programme, indirect assistance will be given through increasing member bank reserves, thus making for a long period of easy money.

Scout Currency War

Informed quarters in New York discredit all reports of a possible Anglo-American currency war, and foresee co-operation between the British and American funds rather than prospects of hostile action. The American dollar is a little below the currency of England and a little above the currencies of the agricultural nations in the sterling bloc. But it is not very far from any of them, which suggests that it is in a reasonable range. There certainly can be nothing aggressive about putting the dollar on an

(Continued on page 16)

SIMPSONS GROSS AND NET EARNINGS HAD LARGE GAIN

Bond Interest Earned With Margin For 6½ Per Cent Preference

WORKING CAPITAL UP

Shows New Asset of $373,491 For Investments—Business Gained From March

Simpsons, Ltd., in the year ended January 3, 1934, had net earnings of $1,826,607 before depreciation, taxes and bond interest as compared with $679,278 for the 11 months ended January 4, 1933. Roughly speaking 1933 earnings were therefore two and a half times the rate shown in 1932. This permitted Robert Simpson Co. bond interest to be covered 17 times and Robert Simpson Co. preferred dividends more than five times before depreciation of $603,149, employees' bonus and savings reserve of $16,675 and profits tax reserve of $108,300. After such deductions, the remaining profits covered Simpson's bond interest 1.3 times and left $200,903, or about one-third of the amount needed to pay full dividends on the $11,250,000 cumulative preferred stock of Simpsons, Ltd.

INCOME AND SURPLUS ACCOUNT
Years Ended

	Jan. 3, 1934 $	*Jan. 4 1933 $
Net earnings	1,826,607	679,278
Less:		
Bond int. R. S. Co.	71,689	69,084
Pref. divs. R. S. Co.	201,000	185,549
Bond interest	624,891	588,993
Profits tax res.	108,300	......
Employ. bonus & savings res.	16,675	12,974
Deprec. res.	603,149	††
Net profit	200,903	‡177,313
Add: Prev. surplus	524,916	702,229
Balance forward	725,819	524,916

‡ Deficit. †† No deprec. res. provided.
* Covers 11 mos. period only.

R. Simpson Preferred Reinstated

Because of the controversy which arose last year over the change in order in the balance sheet whereby bond interest both of Robert Simpson Co. and of its parent company, Simpsons Ltd. were deducted before Robert Simpson Co. preferred dividends, it is interesting to note this year that the old order has been restored as shown in the foregoing table.

The first three months of 1933 showed a continued decline in sales and profits along 1932 lines but thereafter every month showed an improvement.

Working Capital Higher

Working capital increased $471,352 in the year mainly because of higher accounts receivable, cash and an item of $373,491 covering investments not shown in the preceding balance sheet.

	1934 $	1933 $
Current assets	11,670,992	11,200,874
Current liabilities	3,091,747	3,092,980
Working capital	8,579,245	8,107,894
Ratio	3.80—1	3.62—1

Reduced Bonded Debt

With regard to merchandise on hand, which is shown down to $6,204,362 from $6,391,631, the president, C. L. Burton, says that despite a slight upward tendency in prices during the year the investment in inventories is lower than at any year-end since 1923 and that the current nature of the stocks compares favorably with past records. The ratio of sales volume to inventories shows improvement.

Accounts receivable increased during the year from $4,517,794 to $4,754,469 due to the heavier volume of Christmas business. Accounts payable at $2,630,048 was a little lower than a year earlier. The company closed its year without liability to bankers for loans or over-drafts.

The bonded indebtedness of Simpsons and subsidiaries was reduced by $342,880, bringing the total redemption since June, 1929, to $1,266,773.

Simpson's Securities Set-up

It is interesting to note that securities of Simpsons, Ltd. and subsidiaries occupied the following position to net current assets and to fixed assets as shown by the balance sheet.

Full par value of $1,375,223 Robert Simpson 5 per cent first mortgage bonds and $3,350,000 6 per cent Robert Simpson preferred stock are covered less than twice by net current assets of $8,579,245;

The $10,283,500 first mortgage and collateral trust Simpson's bonds due 1949 are covered by the remaining $8,854,022 of net current assets and the depreciated value of lands, buildings and equipment of $22,342,397;

The $11,250,000 6½ per cent cumulative Simpson's preference shares, on which dividends have been paid to February 1, 1932, are covered by the remaining value of $15,912,919 shown for lands, buildings and equipment.

The 120,000 Class "A" and 120,000 Class "B" no par value common shares therefore have as assets to cover them the remaining $4,662,919 shown for lands, buildings and equipment. Last year the position of these shares was weakened in public estimation by the fact that under the stresses of that year the company did not make any depreciation provision. This year the depreciation reserve is increased by nearly $600,000. That was not quite as much as in 1930 and 1931 but the provisions of those years were regarded as sufficient to justify the company in making no provision in 1932, officials stated a year ago.

Canada Northern Power Dividend Increase Expected

From Our Own Correspondent

MONTREAL—With a further improvement in earnings during the closing months expectations are that the 1933 financial statement of Canada Northern Power Corp. will show share earnings of around $1.25 a share. This compares with 91 cents a share in 1932 and 76 cents a share in 1931.

Interim monthly reports published by the company have indicated that net income for 1933 would likely be well in excess of that reported for 1932. For the eleven months ended last November gross revenue totalled $3,351,906 and net operating income $2,344,470. For the corresponding period of the previous year gross income aggregated $3,158,942 and net earnings $2,176,255.

This improved showing decided the directors recently to declare a bonus of 10 cents a share on the common stock over and above the regular dividend of 20 cents a share quarterly. While no official statement has been issued by the management, it is understood that the regular dividend on the common stock will be raised from 20 to 25 cents a share beginning with the first quarter of 1934. The decision to adopt this measure will depend, of course, upon the final audit of last year's accounts.

YEAR END PICTURE AIDED BY MINING, MANUFACTURING

Construction, Electric Power and Distribution Cause of Weakness

By SYDNEY B SMITH

Despite the recession in The Financial Post business index in December from the level of the preceding month, the developments at the year-end were favorable in many respects.

The final version of the index in December was 88.2 compared with 89.6 in November, but aside from the smoothing adjustment a gain would have been shown. The gain in mineral production and manufacturing contributed to this favorable showing while the seasonally adjusted trend of employment was a constructive element. Construction, electric power and distribution were the groups failing to maintain the level of November.

Financial Factors Decline

The financial background was not quite so favorable in December, although a slight gain was shown in wholesale prices. Common stocks and speculative trading reached lower levels than in November, but the early weeks of January have witnessed a sharp reversal in this regard. The prices of high grade bonds have reacted moderately since September, the high point of the year. Bank debits at $2,492,000,000 showed decline from November even after seasonal adjustment, although the gain over the same month of 1932 was substantial.

Mineral Output Gains

The level of mineral production was higher in December, the index based on nine factors showing a gain of three points. Lead production was heavier in the latest month for which statistics are available. Gold shipments were more than 269,000 fine ounces compared with 217,000. The production of coal showed a considerable increase after seasonal adjustment. Copper and nickel exports were at lower levels, the net result for the nine factors being an index of 102.2 compared with 99.2.

Foodstuffs Active

The flour milling and sugar industries were more active in the latest month for which statistics are available. Sheep slaughterings showed an adjusted gain, while hogs and cattle were handled in lesser volume. Exports of canned salmon gained, while cheese showed a decline. The index of the production of food products was 97.4 compared with 90.8.

Textiles Continue Busy

Tobacco releases were nearly maintained, an adjusted gain being shown in cigarettes. While the gain in raw cotton imports was not quite equivalent to the seasonal increase, a high level has been shown for two months. Cotton yarn and wool for further manufacture recorded marked gains after the usual adjustment.

Lumber Exports Increase

The adjusted gain in the export of planks and boards was the main influence in raising the index of forestry production. A fair showing was made by newsprint, pulp and shingles.

The iron and steel industry was a bright spot in the trend of the month. Production of ingots was 49,557 tons compared with 43,099 while pig iron output was 38,612 tons compared with 29,592. Motor car production recovered at the end of the year, the output in December being 3,262 units compared with 2,291. Imports of crude petroleum were 64,970,000 gallons compared with 91.761,000.

The index of manufacturing was 88.6 in December compared with 86.2 in November.

Owing mainly to the drop in the award of construction contracts, the index of construction was 32.8 compared with 37.3. Average daily electric power output was 55,093,000 kw.h. compared with 56,751,000. Trade employment even after seasonal adjustment rose to the highest point of the year.

CROWN TRUST CO. MAINTAIN STATUS OVER PAST YEAR

Small Gains Registered in All Branches of Business

From Our Own Correspondent

MONTREAL.—Financial statement of the Crown Trust Co. for the year ended December, 1933, shows that the company was able to maintain its position in a satisfactory manner with earnings slightly greater than in 1932, a moderate increase in total assets and a small improvement in the value of trust funds administered.

Gross revenues for the year totalled $204,543, up from $203,437 reported in the previous year. Administration and general expenses registered little change, leaving net profits at $71,672. This compared with $71,264 in 1932 and was sufficient to take care of dividend requirements which amount to $70,000 annually.

Cover Dividend Charge

Comparative figures on the income account for the past two years follow:

	1932 $	1933 $
Gross profits	203,437	204,543
Less: Expenses	132,173	132,871
Net profits	71,264	71,672
Less: Dividends	70,000	70,000
Balance	1,264	1,672
Brought forward	49,724	50,988
Less: prop. write off	......	12,090
Carried forward	50,988	40,570

Company assets to the amount of $2,200,243 at the end of 1933 compared with $2,154,935 at the close of 1932. Among liabilities the only notable change was an increase in clients' funds on deposit from $691,282 to $746,889.

More Funds in Bonds

Several changes are noted among assets. The amount of the company's funds invested in first mortgage loans has declined from $753,787 to $661,012. This is reflected, in part, in property held for sale amounting to $36,932—a new item. Investments in high-grade bonds have increased from $608,323 to $710,259, while other securities held by the company at $97,162 are more than double the amount reported at the end of 1932. Investments are carried at cost, but the market value at the end of the year was greater than that shown on the books.

Call and time loans at $160,850 show little change, while cash on hand has dropped from $103,455 to $58,180. Investment in office premises, etc., has been written down from $435,689 to $426,679.

Trust Funds Increase

The guaranteed account, representing funds held for investment, has increased from $381,130 to $400,630. These funds are secured by first mortgage loans to a corresponding amount.

Estates, trusts and agency accounts under administration show a moderate gain during the year, from $21,926,012 to $22,254,281.

GOV'T CREDITOR OF STOCK BROKERS ON MARGIN LOANS

Judgment Finds Dominion Ordinary Creditor of McDougall & Cowans

Mr. Justice Boyer in the Bankruptcy Court, Montreal, on January 23 gave judgment in favor of the Department of National Revenue by ranking it as an ordinary creditor of the holding company of the bankrupt stockbroking firm of McDougall & Cowans in respect of $95,479, with costs due for taxes on margin loans. The judge held that a stockbroker, whose customer speculates with him on margin, actually lends the money for the cash transaction, and being a lender is subject to the Government tax of 2 cents per $50 under the Special War Revenue Act.

Charged Tax to Clients

In giving judgment Mr. Justice Boyer made the following comments in part:

"It is established beyond doubt that the bankrupts charged the said tax to their clients in conformity with the statute and that they kept in their books a special account for the tax; that they collected under this heading $141,828; and that $46,079 was reimbursed by them to institutions that had paid it to the Government, leaving a balance of $95,749 unpaid.

"The operations of the bankrupts were carried out in the following manner: They bought securities at the stock exchange for their clients, who paid part of the price; as for the balance, they paid it with funds taken directly from their own bank account, which they fed by general borrowing in their own name according to the needs of the moment by giving as guarantees securities bought for their clients but never borrowing specially for a particular client.

Charge Higher Rate

"It is further of common knowledge that brokers charge one per cent more interest than they pay to their lenders; in accordance with the law and the usage of the stock exchange, brokers have a right of pledge over their customers' securities as guarantee of the balance due them, and can themselves give them in pledge and dispose of them to pay the balance due them, and this is what they have a right to do and what they do when the pledged security undergoes a drop and its value too closely approaches the balance due.

"From the fact that the security bought is paid for in cash while the client does not furnish the whole price, it follows that the balance is necessarily the proceeds of a loan.

"From this fact it is evident that the balance is advanced by the broker directly from his own bank account, and that without the broker's borrowing specially for each client according to the amount bought for him, it is he who lends.

Sulphite Pulp Price Advance Holds In Code

From Our Own Correspondent

MONTREAL.—Substantial advance in the price of bleached sulphite pulp over the past twelve months will be retained under the terms of the sulphite pulp code prepared for submission to the N.R.A. administration. This is of importance to Canadian International Paper and the Restigouche Co., whose mills are among the largest producers of sulphite pulp on the continent.

It is reported that the code will provide for a maintenance of present prices, though provision will probably be made for an adjustment in the event of an increase in production costs under the workings of the N.R.A.

Advances in Prices

Over the last twelve months the price of bleached sulphite ex docks at the Atlantic seaboard has increased from a minimum of $42 to $55 a ton. Higher prices are being paid for the better quality of pulps for rayon purposes, but the minimum has been on the above basis.

With the advance of $13 a ton in selling price, demand also has picked up with the result that the plants at Hawkesbury, Kipawa and Athol have been operating on what has been more or less a full-time basis.

The improvement has been particularly marked in the case of the Restigouche plant at Athol, which had only been operating on a partial basis. The improvement in Fraser Cos.' position is largely attributed to the gains made by the Restigouche Co.

Freer Buying Reported In Hardware Trade

Reports from most wholesale hardware firms indicate a much freer buying movement among retail hardware merchants, according to Hardware and Metal, Toronto. Booking orders for spring delivery, in a wide variety of seasonable commodities, are said to be much more numerous and for a greater quantity of goods than at the same date in 1933. It is stated that some retailers who did very little advance buying last spring, are placing orders for supplies now. Stocks in retail stores are at very low level, because of the very careful buying exercised during the last three years, and any improvement in retail selling will require that stocks be filled up immediately.

CAN. IND. ALCOHOL ADDS TO STRENGTH PAST FISCAL YEAR

Better Showing, But Report Does Not Reflect U. S. Situation

From Our Own Correspondent

MONTREAL.—Canadian Industrial Alcohol Co.'s financial statement for the 12 months ended September 30 last reflects a general change for the better in both earning power and balance sheet position. The report, however, does not reflect the marked change which has taken place in the company's position since the repeal of the 18th Amendment in the United States, as shipments of liquor did not commence until after the company's year ended. This phase of the company's business, together with the arrangement entered into with National Distillers as regards the marketing of the company's matured alcohol in the States will be dealt with fully by the president, Lord Shaughnessy, at the annual meeting to be held on January 30.

Better Operating Profit

Operating profits for the past fiscal year totalled $198,477. This compares with a loss of $10,352 in the preceding year. Particulars of the income account for the years ended September 30, 1933, and 1932 follow:

	1932 $	1933 $
Oper. profit	*10,352	198,477
Less: Res. for inv.	12,000	12,000
Int. bank loan	161,104	157,174
Overhead exp.	102,683	50,869
Main. of stocks	77,146	......
Int. on claim	6,156	......
Net loss for year	369,441	21,565
Brought forward	*3,041,071	3,410,512
Carried forward	*3,410,512	*3,432,077

*Deficit.

Strengthen Balance Sheet

Examination of the balance sheet shows that the company has been able to reduce its liabilities by approximately $500,000, while net working capital has been improved to the extent of nearly $400,000.

The principal interest of the shareholders is in the value of the stocks of spirits on hand and the bank loan. The latter are carried on the books at $6,039,364 compared with $6,176,114 in the previous year. Bank loans have been reduced from $2,672,518 to $2,160,819.

Details of Advances

More particulars are given in respect to the company's interest in subsidiary and associated enterprises. Advances to Robt. McNish total $226,855 and loans to associated companies $1,509,438, making a total of $1,736,294, against which a reserve of $1,093,881 has been set up, leaving a net amount of $642,413 to be shown on the books.

Shares held in various subsidiaries continue to be carried at a nominal value. An item of $200,000 in the 1932 report is shown in the 1933 report to be shares in Wine and Spirit Agencies Ltd.

Fixed assets and other liabilities remain much the same.

Issue More Stock

There has been a small increase in the number of class shares issued, 19,000 shares having been issued to certain employees for services rendered and for $84,140 in cash under an agreement dated August 1, 1925 and January 1, 1927.

Other People's Views

The Mighty Power

Regina Leader-Post — A "radical" speaker in Saskatchewan has been saying that there are just two classes of people in Canada, the "haves" and the "have nots." The former controlled the police, the army and the courts. Even under a change of government, he said, the former would take orders direct from St. James Street instead of from St. James Street via Ottawa.

The Leader-Post thinks such statements are nonsense. The police are subject to the public authority in Canada and if the public authority is changed the police take their orders from the new regime. If they took it from anyone else they would soon find themselves out of jobs. This is also true of the army and the national military stores of the country. A change of government would place them under a new authority, which would have full powers to disband an army and set up a new one. What could stop the new authority, if it had the support of the people, from taking such steps?

The Deep Waterway

Ottawa Journal: The truth is that support for the St. Lawrence seaway at this time, comes chiefly from Manitoba and from certain sections of Ontario. Manitoba believes that the completed seaway would mean cheaper carriage rates for its grain; Toronto has visions of becoming a great port. Add to this belief by some others that the power development is necessary, and that, in any event, the project would help unemployment, and the result is pretty much the existing Canadian support of the St. Lawrence.

Must Economize

Victoria Colonist: British Columbia's problem is drastic economy, and the placing of the credit of this province on a more substantial basis than it enjoys at present. It is upon the matter of this economy, until it hurts all round, that it is hoped the proposed "Economic Council" will concentrate. If that council does not regard this as its primary duty then it may prove little more than an excrescence on the body politic.

En-ar-co
The cleanest and best domestic
FUEL OIL Free Burner Service
Sold in Toronto exclusively by
MILNES FUEL OIL LIMITED
88 KING ST. EAST ELGIN 5454

Established in 1869
By the late J. P. Langley, F.C.A.
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Licensed Trustee in Bankruptcy.
Liquidator, Receiver, etc.
Offices
McKINNON BUILDING
Elgin 5305-6 TORONTO

Roosevelt's Aim Is Revival Of Public Interest In Affairs

A fascinating and penetrating analysis of the character and the objectives of Franklin D. Roosevelt was given to the Board of Trade Club in Toronto this week by Emil D. Sauer, United States consul-general.

The American president has no designs on dictatorship, but he does aim to revive democracy by enlisting, under his personal leadership, a co-operation of all the people in the nation, declared Mr. Sauer. Some of Mr. Sauer's points about the president were, in brief:

"I believe I can introduce to you President Roosevelt first of all as a good neighbor. From childhood on he was led not only beyond the views of his domestic neighborhood but into foreign countries.

"The President cherishes particularly kind and neighborly sentiments toward Canada, our next-door neighbor. He has been coming to Canada for summer vacations ever since childhood.

His Love of Work

"President Roosevelt has always been a great worker and one of his most outstanding characteristics is his love of work. His reference in his presidential inaugural address to the 'joy and mental stimulation of work' is not to be taken as mere words.

"The President is an impressive personality. He is always cheerful, kind, buoyant, and he has an unbounded amount of unselfish human interest and sympathy. Leighton McCarthy, president of the Canada Life Assurance Company of Toronto, states that you cannot really know President Roosevelt until you have seen him among the paralyzed children at Warm Springs, Georgia, who through his unselfish interest and efforts have been given the opportunity there to recover health and the use of their limbs.

Faith in People

"The President, on his part, has faith in the people and in legislative bodies, but he realizes that, in order to make popular government effective and to prevent it from becoming a sham, it is necessary to educate the public to a rational understanding of public affairs and to enlist its co-operation. He himself states that to educate the people 'is perhaps the greatest duty of statesmanship.'

"The newspaper correspondents know that they can receive from no one a more hearty welcome than from President Roosevelt. And nobody could present news items in clearer style than President Roosevelt. He has the gift of simplicity and clarity of style of Abraham Lincoln, while the problems he is called upon to discuss and analyze are infinitely more involved and complicated than the problems Lincoln had to face.

"The President's political philosophy is based first of all on genuine faith in our existing institutions and in the good sense, honest intentions and capacity of the average citizen to discharge intelligently his duties toward popular self-government."

Aims at no Dictatorship

"In order that we may not confuse the idea of leadership under democracy with that of dictatorship let it be understood that the first thing a dictator does on assuming power is to attempt to consolidate and perpetuate his hold on the Government by destroying opposing party organization, liberty of speech and of the press and the authority of the parliament or legislature, while leadership under democracy respects these institutions. President Roosevelt's reply to the challenge that democracy is incapable of solving our economic problems and that some form of dictatorship is needed is his call for the co-operation of the people under his leadership in a common effort to solve those problems.

"The President has given new force and meaning to the principles of democracy. We consider failure of his economic programme as a whole as unthinkable but will history not judge his leadership in giving new vitality to democracy as an even greater accomplishment than his other work?"

Freer Beer Sale After Election May Start Aug. 1

In the issue of December 9 The Financial Post stated that the probable policy of the Ontario Government would be to introduce legislation at the 1934 session of the Ontario Legislature to permit sale of beer and wine without permits in hotels, restaurants and clubs, and that it might be announced that the legislation would not be made operative by order-in-council until after the election whenever that occurs.

The Mail & Empire on January 23 states that it is reliably informed that it has been finally decided not to make any policy operative before the general election. That was The Financial Post's expectation, and the legislation will be introduced as forecast by The Financial Post. It is understood that M. F. Hepburn, Liberal leader, is quite in favor of freer beer and wine sale, but the change in house leader from W. E. N. Sinclair, K.C., to Dr. McQuibban makes it difficult to forecast just what action "dry" liberals will take.

Talk is still of a possible election in June which would permit the new laws being made operative by August if the new Government desires early action.

Paymaster Consolidated Has Better Cash Position

Balance sheet of Paymaster Consolidated Mines Ltd. at Jan. 15 shows slight improvement in cash position during the last six months of 1933. Current assets are up to $56,522 from $40,831 at June 30, 1933, while current liabilities are down to $224 from $2,750. Working capital has therefore increased to $56,298 from $38,081. Cash is up to $41,018 from $27,133 while accounts receivable are up to $15,127 from $9,907.

Mining properties remain at $2,471,894 and buildings, plant and equipment at $1,046,723. Deferred charges are materially higher with development up to $70,987 from $37,285 and discount on capital stock up to $1,197,629 from $679,998. Investment in shares of other companies has been increased to $5,001 from $1 with the addition of 50,000 shares of Empire Gold Mines Ltd., which brings total holdings of this stock to 950,000 shares. Capital stock of $1 par value, issued as fully paid, has increased to $4,224,319 from $3,531,477.

Latest development in paper manufacture
"Sampson White Envelope"
has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.
Toronto Envelope Co. LIMITED
366 Adelaide St. W., Toronto

GENERAL TRUST OF CANADA
Complete Trust Service
112 ST. JAMES ST., WEST .. MONTREAL

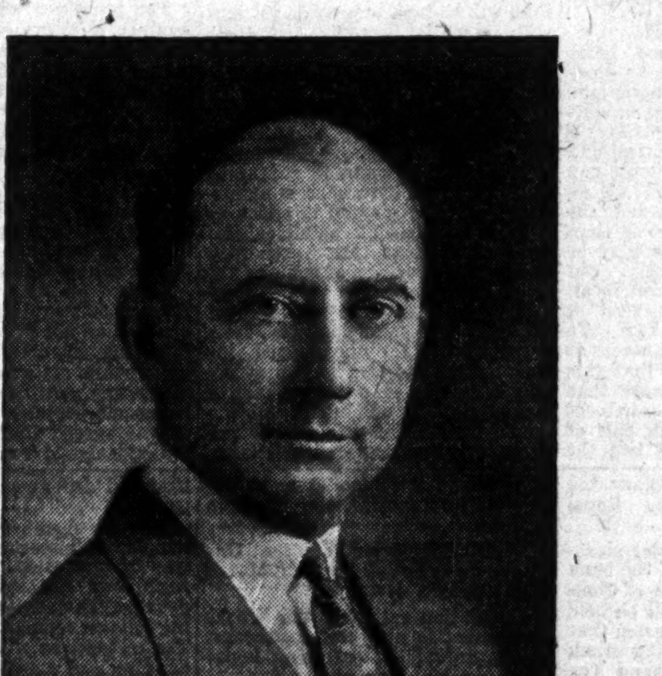
DUN & BRADSTREET OF CANADA LTD.
THE MERCANTILE AGENCY
Successors to
R. G. Dun & Co. — Established in Canada 1856
The Bradstreet Co. — Established in Canada 1872
CREDIT RATING BOOKS — FINANCIAL REPORTS
16 Offices in the Dominion

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
TORONTO OTTAWA WINDSOR
CLARKSON, McDONALD, CURRIE & COMPANY
MONTREAL and QUEBEC
Chartered Accountants
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

"Helps to keep business men informed"



D. R. GROSSMAN
Vice-President and General Manager
The Studebaker Corporation of Canada, Limited

"Maclean's helps to keep business men informed on Canadian affairs. That's why I read it. And there is something in it for every member of the family."

HALF a million men and women in all walks of life and in all parts of Canada are reading Maclean's regularly. They read it, because they like it. They respect it, rely on it, talk about it.

No other magazine on this continent approaches Maclean's in the frequency with which its articles are quoted by newspapers, in parliament, at directors' meetings, wherever people are gathered.

Maclean's has an intimate understanding, a crisp interpretation of Canadian questions, a consistent loyalty to the Canadian point of view. At the same time, it has found ways to attract the best artists, the leading novelists, the most competent writers of the day.

Maclean's has given Canadians a real magazine of their own and Canadians have responded by putting Maclean's—both in circulation and in influence—far ahead of any of the foreign publications which used to dominate the Canadian market.

To promote the sale of any nationally-distributed product in Canada, Maclean's is the most effective single advertising medium. Maclean's—*Canada's National Magazine*
Head Office: 481 University Ave., Toronto. Branches: Montreal, Chicago, New York.

Cannot Solve Budget Problems By Juggling Gold and Currency

Revaluation of Gold Looks Like Easy Way to Get Some New Money but It is Not So Simple as It Looks

By HENRY SOMERVILLE

A Toronto evening paper last week carried a front page story from Ottawa which led off with the pleasing intelligence that "The Roosevelt dollar devaluation programme, if it is adopted by the United States Congress, will solve the immediate fiscal problems of the Dominion Government. That was the unanimous verdict of the Bennett cabinet after two hours spent in discussion of the president's message."

Whether the writer had any information of cabinet findings I do not know. Probably not. No doubt the Department of Finance does feel much relieved now that it definitely knows that the American dollar will not be stabilized at a higher value than 60 per cent of the former gold parity. The meeting of Canadian obligations in the United States is much easier than it would have been if the American dollar had not depreciated and Canadian indebtedness to the United States is so large that the relief assured by Roosevelt's message is very considerable. As a debtor country and a gold producer, Canada gets certain benefits from U. S. dollar devaluation.

Big Benefits Seen

But the Ottawa correspondent did not attribute the optimism of the cabinet to these orthodox considerations. He alleges that treasury department officials foresee the following blessings flowing from Roosevelt:

"A possible increase in Canadian bank notes from $180,000,000 to over $450,000,000.

"Availability of this added issue to defray the $150,000,000 deficit, including railway and relief expected for 1933-34.

"The use of the balance, or a large portion of it, to pay for any general works programme the Government will adopt to supplant or modify direct relief expenditures.

"Release from the necessity of appealing to the public for any 'new money' through loans in the next fiscal year.

"Release from the necessity of imposing new taxes in a further endeavor to make revenue balance expenditure."

This interpretation of Ottawa's possible policy would not be worthy of much attention were it not for the fact that similar articles have appeared widely from coast to coast.

Chance to Print Money

The reasoning behind these calculations is that the devaluation of the dollar enables the government to print enormous new supplies of paper money without adding to the present gold reserve. The idea has been widely used of late that a country can safely issue paper money against a gold backing of 25 per cent. An observation by Premier Bennett some weeks ago has been misconstrued in such a way as to give sustenance to the illusion. The premier pointed out that on Oct. 31 last the Dominion gold reserve was 70 million dollars against a note issue of about 175 million dollars. The experts in London last summer agreed that 25 per cent was a "safe" gold basis. Now Canada could have an issue of 280 million notes on this basis and still be safe. The government could provide itself with 105 million dollars for the mere cost of printing the bills.

Such was the position on Oct. 31 last when the gold was valued at the standard price of 20.67 dollars per ounce. It would now be safe, at least if Congress adopts the Roosevelt proposal, to reckon the Dominion's gold reserve as worth 34.45 dollars per ounce. The gold reserve has gone up nearly 75 per cent in value and therefore the government has proportionately increased facilities for adding to the note issue. The principle is that note issue can be four times the value of the gold reserve. I have quoted the Ottawa correspondent as figuring that the note issue can be increased from 180 millions to 450 millions, giving the government 270 millions to play with.

Why Sell Any Gold?

The easiest way of pricking this bubble is to ask why, if the government can "safely" issue paper money four times the amount of its gold reserves it ever lets any gold out of the country? Or why a government does not buy from other countries all the gold it can get? For by issuing four paper dollars against every dollar it buys it makes sure of a profit of 300 per cent!

The mere asking of these questions makes obvious the fallacy of the suggestion that the only factor to be considered in determining the amount of currency issue is the metallic reserve.

I do not question the sufficiency of a 25 per cent reserve under the qualifications expressed by the experts of the World Economic Conference in London. In passing, it may be observed that when a country has not a convertible currency and when it does not allow the free export of gold there is no sense in talking of 25 per cent or any other percentage being safe. Such a country needs no gold reserve, except with a view to the possible future resumption of a gold standard. What the London experts meant was that 25 per cent was a safe reserve when a country's price level was right, that is to say, when it was in equilibrium with prices in other countries, so that it was not in danger of an abnormally adverse balance of payments.

Cannot Take Initiative

If a country had a price level too high, so that it was importing much and exporting little, a 25 per cent gold reserve (supposing the free functioning of the gold standard) would soon disappear. Now the price level depends on the amount of currency; it depends on other things also, no doubt, but not even the most rabid critic of the quantity theory of money will deny that the amount of currency is one factor in determining the price level. Therefore the currency authorities must think primarily of the effects of additional issue on prices, only secondarily of the limit set by the gold reserve. If and when the Roosevelt policy lifts prices and stimulates trade in the United States more currency will be called for and doubtless issued. But for Canada to raise internal prices by inflation would be to ruin her export trade. When American prices rise Canadian prices will doubtless rise also and the Canadian Government can then issue more currency, but Canada cannot take the initiative. It is very easy to see, because it is a matter of ordinary business experience, that conditions in Canada depend on conditions elsewhere. This is enough to show that the Ottawa Government cannot be certain of new paper money to the amount of 270 million dollars in time for the next budget.

Limit to Currency Needs

To show the fallacy of false doctrine by the method of reduction to absurdity is one thing; to establish true doctrine positively is another. We may start from the fact that we need currency only to serve as a medium of exchange. It is not an instrument of production or an object of consumption, it is only useful for effecting exchanges of other goods. An individual does not want more than a limited amount of currency either in business or in private life. Most of us keep currency in our possession to a minimum, just sufficient to meet current expenditure of cash, and any surplus we convert into bank deposits, or investments, or objects of consumption and enjoyment. There is a limit also to the quantity of currency a country needs and can usefully employ, the limit being set by the needs of trade, by the number of exchanges or transactions to be effected at the prevailing level of prices. A country can have surplus media of exchange just as it can have surplus means of transportation. The correct quantity of means of transportation depends on the quantity of goods and passengers to be carried and the average of distances to be traversed. The correct quantity of currency depends on the volume of trade and the price level. Surplus currency does one of two things, it slows down the velocity of circulation of the total currency, in which case it is merely a fifth wheel on the coach, or it increases prices without increasing trade.

As trade is not static, neither is the quantity of needed currency. We must not beg the question by assuming that any particular increase of currency would be surplus. When trade increases there is need for more media of exchange. There has long been a provision in Canadian law for banks to increase their note issues during the crop-moving season. A cyclical improvement of trade, just as well as seasonal activity, would call for more currency to keep the price level from falling. Any increase of prices, however caused, would likewise require the issue of more currency, unless it was desired to force prices down. If we assume, as I think we may, that Canadian prices should be allowed to follow any reasonable increases in the United States, controlled inflation in the United States without tariff increase would increase currency requirements here.

While it is right to let currency increase follow an increase of trade or of prices, it is wrong, for a country in the position of Canada, to make currency increase precede trade and price movements. Such a currency increase here would, as said above, increase internal prices to the ruin of the export trade.

Re Competitive Depreciation

I have seen a reply to this statement in the following terms: "Our volume of export trade is dependent largely upon the price at which we can lay down our goods in a foreign country in the currency of that country, and inflation often gives a nation temporary competitive advantages."

This misses the point of my statement. I said a rise of internal prices hurts export trade. What may give a temporary competitive advantage to a nation is a depreciation of the foreign exchange value of its currency. There can be exchange depreciation without a rise of internal prices, as was seen when Britain left the gold standard. Inflation is so slippery a word that I have so far avoided using it. My contention is that for Canada to increase the note issue merely because gold has acquired a higher paper dollar value, without waiting for increased trade needs, would increase internal prices, which would be to the detriment of exports.

Perhaps the best way to get to grips with the question is to examine the five happy possibilities which the Ottawa message quoted above announces as boons conferred on Canada by Roosevelt.

How Would Banks Use It?

"Increase in bank notes from $180 millions to $450 millions."

Would the banks get the increase as a free gift or would they be asked to pay five per cent interest, as on present issues in excess of capital? The banks will not take money costing them five per cent unless they can earn more on it themselves. This they could do only by creating credit to an amount several times greater than the note issue. Can the banks find good borrowers for additional money to the extent of $270 millions multiplied by eight or ten? Bank deposits are usually eight or ten times the note issue. The banks already have more funds than they can see their way to use in the present state of trade.

"Availability of the added issue to defray the 150 millions deficit."

Evidently this would mean an increase of Dominion notes, not bank notes. The $150 millions would be dumped on the banks, which could only get them into use by expanding credit, and as already observed, the present powers of bank credit are not fully used.

Public Works Money

"The use of the balance ($120 millions) or portion thereof for public works."

Public works could be started with this new money. In fact the new money would force the starting of all kinds of new works, public, private or both. Otherwise the new money would never get into use. Not all of it could be immediately absorbed in higher prices even though, as might happen, we witnessed the most spectacular speculative boom in Canadian history. The new demands for existing supplies of labor, management, plant, materials etc., would increase internal prices and handicap the export trades. There would be an internal boom, soon followed by a terrible collapse.

"Release from the necessity of new borrowing in the next fiscal year."

This is the same in principle as defraying the present year's deficit by recourse to the printing press which has already been commented on.

"Release from the necessity of new taxes."

Again the comment already given applies. If government expenditures are not financed in a way that reduces private expenditures there is an addition to the cash resources of the banks, forcing the banks to expand credit. Assuming the cash to have increased by $270 millions, as in the Ottawa message, and the normal credit superstructure proportionately increased, the Canadian dollar would be in a fair way to rivalling the dizziest achievements of Russian rubles and German marks in their most hectic days.

Australian Sale of Farm Produce Under Close Government Control

"Voluntary" Associations of Producers are Joined Under Commonwealth and State Legislation

By J. K. ROSS-DUGGAN
Editor, "Canadian Trade Abroad"

Australia has always shown great resource in emergency. Ten years ago she tackled the problems of export marketing.

Australia very quickly followed New Zealand in the establishment of export control boards to handle the marketing of several types of foodstuffs in Great Britain and other overseas markets. Both Australia and New Zealand have interpreted their domestic market problems in terms of an orderly disposal of their surplus production abroad in order to maintain a balance of supply and demand in the home markets at reasonable prices.

Australia, unlike New Zealand and South Africa, took definite steps to maintain a high domestic price for certain commodities ostensibly for the purpose of supporting their export trade.

Export Control Boards

The marketing of staples and stable products such as wool and metals does not present such a difficult problem as that of perishable commodities. Australia disposes of her wool by local wool sales which are held annually in all the principal centres of the Commonwealth. The metal market, of course, is governed by world prices. But in the realm of perishable commodities, Australia has established export control boards for dried fruits, dairy produce, canned fruits and wine.

In the main, the constitution of the Commonwealth export control boards follows along that of New Zealand, namely the election of members by producers and, in some cases, the nomination of additional members under the terms of the statute.

Dried Fruit Export

The Commonwealth Dried Fruit Control Board commenced to operate in 1924. At that time the production of dried fruits was 37,217 tons. The difficulties of organizing marketing control in Australia are complicated by the fact that the Commonwealth comprises six states and one territory which have definite rights. Consequently, the control of dried fruits has to be administered under three forms of legislation. There are state acts which control intra-state dealings; a Commonwealth act which controls inter-state dealings, and an export control act which controls exports beyond the boundaries of the Commonwealth.

There are state acts in Victoria, South Australia, New South Wales and West Australia, which are the principal producers of dried fruits. The underlying principle of these state acts is the control of the exportable surplus in a compulsory manner so that every producer receives an equitable share of the proceeds.

Purpose of Different Boards

Each state act provides for the constitution of a state dried fruits board the regulation and registration of packing sheds, growers, and distributors and the collections of a levy to equalize the distribution of the proceeds of the crop. Each state board possesses the power to register packing sheds and to refuse licenses where necessary.

The Commonwealth Dried Fruits Act has for its objective the prevention of inter-state competition. The Federal Minister of Commerce rules upon the export quotas for the various states on the recommendation of the states dried fruits boards.

The growers, on their part, have formed an Australian dried fruit association which makes its arrangements to meet the requirements of the Dried Fruit Board regulations. The Australian Dried Fruit Association fixes a price for their commodities which ensures reasonable cost of production to the grower. "Voluntary" adjustments are made by fruit sheds which oversell domestically so that compensation may be paid to those fruit sheds who primarily export. This is a very interesting development. "Voluntary" action, of course, is encouraged by very heavy penalties in the act for non-observance of the laws governing quotas.

Above all these authorities is the Dried Fruits Export Control Board which governs exports beyond the Commonwealth. It may be taken as a fixed principle of the statutes concerning the dried fruits industry that the intention is to control inter-state trade so as to enforce export quotas, relieving the domestic market of surplus supplies and assuring a reasonable domestic price for ordinary requirements.

Dairy Produce Export

The Australian Dairy Produce Export Control Board was constituted in 1924 and contains elected representatives of the co-operative butter and cheese factories of the Commonwealth together with a representative of the proprietary butter and cheese factories and also representatives of exporters and of the Commonwealth.

Patterson Butter Plan

Eight years ago, Australia was not an important factor as a supplier of butter to the United Kingdom but there was brought into action what is known as the Patterson Plan which had for its objective the raising of the domestic price of butter in order to bonus exports. So far as I know, this plan has no governmental backing.

The Patterson Plan provided for a voluntary levy of approximately three cents a lb. on all butter manufactured in Australia. The fund thus established was used to pay an export bonus of six cents a lb. on all butter exported. Australian exports of butter have increased 200 per cent.

Oversupply in Britain

Apart from the question as to whether this system is now practicable in view of the heavy exports, the question naturally arises as to whether this subsidized system of butter export has not had the effect of overloading the British market, thus accentuating present low prices.

Exports of butter from Australia to the United Kingdom increased by 138 per cent from 1929 to 1932.

The total overseas exports of butter from Australia have increased drastically during the past six years. For instance:—

1928-29 — 45,821 tons
1929-30 — 48,091 tons
1930-31 — 73,951 tons
1931-32 — 91,086 tons
1932-33 —100,546 tons

The Patterson Plan was a method for bonusing export shipments at the expense of the domestic trade. The result is seen in the above figures. The question arises as to whether this artificial increase has not had the effect of knocking the bottom out of the British butter market.

Even now the chairman of the British Milk Marketing Commission is in New Zealand and Australia endeavoring to obtain the adherence of Australian and New Zealand producers to a scheme of voluntary restriction of exports of butter and other dairy products in order to avoid ruin of the British dairy industry. Artificial stimulants to trade are dangerous.

Some Domestic Complications

Furthermore the Patterson Plan is complicated by a domestic problem in the way of rivalry between creameries to supply the profitable big city trade. Creameries situated at a distance from large centres of population have endeavored to break into these highly profitable preserves. The result has been price disruption.

Present reports state that there is a movement underway to compensate the more distant creameries for their inability to supply the metropolitan markets by a levy on the more closely situated creameries. This would seem to be an extension of the Patterson scheme. All of which goes to show that artificial price fixing methods breed their own particular difficulties.

The Australian Canned Fruits Control Board was established in 1926. Provision is made for representatives of the Commonwealth, co-operative canneries, state controlled canneries and proprietary and privately owned canneries.

The advance of the canned fruit industry in Australia has been very remarkable. In 1926 there were canned in dozens of 30 oz. tins or equivalent the following quantities, 271,350 apricots; 1,517,998 peaches; 458,000 pears, making a total of 2,247,348. In 1933 there were canned 447,238 apricots; 2,566,778 peaches; 1,059,342 pears, making a toltal of 4,073,358.

The total export of canned apricots, peaches and pears comparatively were as follows: 591,326 dozens in 1926 and 1,297,042 dozens in 1932.

Overseas Wine Marketing

The Commonwealth Wine Overseas Marketing Board was established in 1929. On this board are representatives of the Commonwealth Government, and the various states together with co-operative wineries and distilleries. In line with the usual procedure of the Australian marketing boards, the Commonwealth Overseas Marketing Board declared definite minimum prices on May 23rd, 1933. However, there still continues considerable difficulty by reason of the absence of cohesion among shippers and their agents particularly with regard to price cutting.

There has been a very marked increase in the export of wine from the Commonwealth to the United Kingdom. During the 12 months ending June 30th, 1930 there was exported 2,011,942 gallons as compared with an increase to 3,017,346½ gallons for the 12 months ending June 30th, 1933.

Imperial Preference Helps

The preferences under the Ottawa Agreement have been very advantageous to the exports of Australia in the same way as they have given a big impetus to exports from Canada, New Zealand, South Africa and other British possessions.

Of course, there are many complaints regarding Australian exports not only from overseas customers but also from home producers. Gradings need to be simplified. The use of peculiar brand names, particularly of an alphabetical nature, is not advisable in overseas markets. Questions have also been raised as to the absolute uniformity of parcels of goods carrying the same grade mark. There have been objections to the price-fixing methods of the various Australian control boards. It is alleged by some that Australia has been very arbitrary in claiming a free entrance into British markets without giving an equivalent advantage in her own home markets to the Mother Country.

Cultivates U. K. Market

But the one outstanding thing is that Australia has recognized that the United Kingdom is her logical market and has made a commonsense attempt to control her exports to that important market and has not neglected the most important feature of advertising and publicity.

Visitors to Great Britain cannot overlook the advertising presentation of Australia's products. For the year ending June 30th 1933, the Australian Dried Fruits Control Board contributed £20,000 toward publicity schemes in Great Britain. In the same year it spent £2,710 in the development of Canadian and Eastern markets, and contributed £175 to the Commonwealth Council for scientific and industrial research for dried fruits investigations in Australia.

The Australian Dairy Produce Control Board allocated £20,215 for advertising and publicity in the United Kingdom for the same period.

The Australian Canned Fruits Control Board allocated £2,000 for trade publicity in Great Britain. The Australian Wine Overseas Marketing Board has not yet made any commitment.

This means that three Australian export industries spent a total of £42,215, or approximately $211,075, in trade publicity in the United Kingdom during the year ending June 30th, 1933.

Our Links of Trade

Canada welcomes Australian dried fruits and wines and many a Christmas table was graced by a box of Australian raisins and the various liquor commissions in Canada are carrying Australian wines for sale.

We have many links of trade with Australia and ship them automobiles, building board, lumber, salmon, newsprint and other products.

The balanced trade between Australia and Canada is a healthy development and is the basis for most friendly relations between the Commonwealth and the Dominion.

TORONTO MORTGAGE PROFIT IS HIGHER

Earns 13.2 p.c. on Capital — Liquidity is Greater — Assets Up

Toronto Mortgage Co. earned 13.24 per cent on paid up capital of $986,500 in 1933 as compared with 13.02 per cent in 1932 and 13.48 per cent in 1931. While gross income was slightly lower, $318,829 in 1933 as against $321,376 in 1932, interest paid on debentures and taxes paid were also lower and net income after all charges increased. Dividends were continued at the rate of 12 per cent, or $6 per share of $50 par value stock.

Total assets of the company are up to $5,054,207 from $5,013,719. Liabilities to the public are slightly down, to $2,772,353 from $2,744,136. Included in liabilities to the public are sterling debentures which increased to $2,000,353 from $1,973,464 while currency debentures declined to $584,674 from $612,926. Deposits are up to $134,707 from $107,595. Interest paid on debentures has been reduced to 4½ per cent from 5 per cent.

Liquid Position Better

Liquid position of the company has been improved with cash up to $168,969 from $133,997; bond holdings are up to $410,735 from $385,025. Chief change in bond holdings is increase in provincial or Dominion guaranteed bonds which are up to $122,200 from $55,807. Stocks remain at $117,850 and loans on stocks remain at $12,500. Mortgages at face value, less provision for possible depreciation, are down to $4,248,731 from $4,289,498; interest due is up to $13,645 from $7,369 and real estate held for sale is up to $36,777 from $22,490. Premises are carried at $45,000.

George D. Kirkpatrick has been added to the directorate. Annual meeting of the company will be held on Feb. 7.

Earnings record of the company in the past six years is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate* $	Rate* Earned per sh. $
1928	724,500	112,628	6	7.77
1929	724,550	110,877	6	7.65
1930	974,888	120,185	6	6.16
1931	986,500	132,999	6	6.74
1932	986,500	128,458	6	6.51
1933	986,500	130,632	6	6.62

*Based on fully paid-up capital stock. Par value $50.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	3,895,061	850,000	2,223,543
1929	3,981,660	900,000	2,286,247
1930	4,603,774	900,000	2,385,583
1931	4,880,207	1,151,155	2,620,703
1932	5,013,719	1,165,002	2,744,136
1933	5,054,207	1,165,002	2,772,353

AN ALL-CANADIAN INSTITUTION

1866 1934

As far back as 1871 this Company engraved cheque forms for the Exploratory Surveys of the Canadian Pacific Railway, the beginning of a business relationship which has continued to the present day.

In the Beginnings of Canadian Prosperity

TO the first early prosperity of a united Canada this Company has made its important contribution, then as now providing Canadian Governments, transportation services and industries with quality engraving in the production of bonds, stock certificates, bank notes and other monetary documents.

British American Bank Note Company Limited

1110 Bank of Hamilton Bldg. TORONTO — HEAD OFFICE OTTAWA — 511 Place d'Armes MONTREAL

National Steel Car Corporation Limited

Builders of Passenger Cars — Freight Cars — Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts — Steel Pressings — Forgings — Drop Forgings.

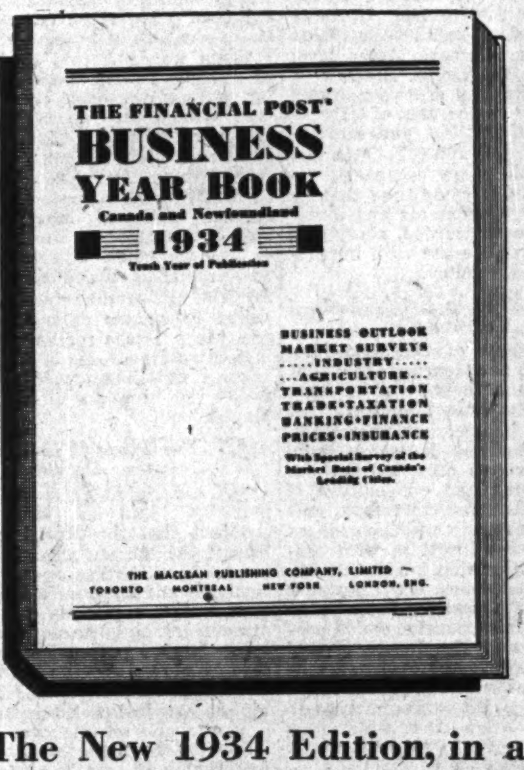
HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

Ready for Delivery Feb. 5

THE FINANCIAL POST

BUSINESS YEAR BOOK

NEW 1934 EDITION



50,000 Facts about Canadian Business

The Financial Post BUSINESS YEAR BOOK, new 1934 edition, is of particular interest and value to business men who want FACTS and not guesses when searching for new markets for their goods, and for accurate and up-to-date economic data about Canadian business activities.

This book contains a clear, simple, well-illustrated and thoroughly indexed record of Canada's economic progress during the preceding twelve months. It covers every phase. It is planned for business executives, investors, educationalists and professional people.

The New 1934 Edition, in all essential respects, covers the whole picture right up to Dec. 31, 1933

BUSINESS OUTLOOK......INDUSTRIES
MARKET SURVEYS......AGRICULTURE
TRANSPORTATION...TRADE...PRICES
TAXATION....BANKING....INSURANCE
MANUFACTURING..EMPLOYMENT..MINING

Special Feature—A 15-page analysis of the buying power of leading Canadian cities

Price $2 a copy. Send in Your Order Now

THE FINANCIAL POST,
481 University Avenue,
Toronto 2, Canada

Please send me postpaid a copy of The Financial Post BUSINESS YEAR BOOK, 1934. Enclosed is my $2 in payment.

Name ....

Address 430

PRUE COTTONS

Manufacturers of INDUSTRIAL and HOUSEHOLD Cottons in Canada for over TWENTY-FIVE YEARS

DOMINION TEXTILE Company Limited

MONTREAL
TORONTO
WINNIPEG
VANCOUVER

M.Y.&S.

Members Toronto Stock Exchange

Accounts carried on conservative margin. Orders executed on all exchanges.

McLeod, Young & Scott
Metropolitan Building, Toronto

D. I. McLeod — J. Gordon Weir
W. Ewart Young — J. H. Ratcliffe
W. R. Scott

The Bank of Nova Scotia Has Faith in Tried and Tested Methods to Recovery

President S. J. Moore stresses the need for international co-operation and balanced budgets.

General Manager J. A. McLeod sees depression passing. Need for economies in government expenditures emphasized.

Mr. S. J. Moore, President of The Bank of Nova Scotia, in presenting the Bank's 102nd Annual Report to the shareholders at the Annual Meeting at Halifax on Wednesday regarded it as "a very favourable one in view of the difficult year through which the country has come. To be able to present such a report after four years of an almost unprecedented depression is a source of satisfaction to your Directors," he said.

Depression Passing

Turning to world conditions Mr. Moore expressed the opinion that "we plumbed the depths of the depression in the early months of last year. Since then, I am happy to observe that a measure of improvement has occurred. In the world at large, there was a slight expansion of trade during the last half of 1933. Moreover, in most of our own great industries, and in most parts of Canada, we can detect unmistakable evidence of increased activity: though there is still much lost ground to be recovered."

Incapacity of the nations to cooperate, according to Mr. Moore, caused the failure of the World Conference which "broke up at a moment when such co-operation was, perhaps, more urgently needed, than at any time within memory.

"In respect of such international co-operation for the revival of a sorely stricken trade of the world, subsequent events have merely served to re-emphasize the failure of the World Conference. At the time when this Conference assembled last June, a 'tariff truce' was in force. Since then, a number of countries have resumed their freedom of action—freedom to narrow still further the trading opportunities of their neighbours.

"In the meanwhile, such bargaining as there has been between individual countries, seems to have resulted in an even more rigid imposition of the quota system than before. Not by such means will world-wide recovery be brought about."

Farmers Still Bearing Heavy Burden.

The strangling influences of trade barriers, quotas, etc., still weigh heavily on primary producers everywhere "notwithstanding the fact that the prices of farm produce have advanced somewhat during the year.

International Situation

"In the realm of international affairs, there is much to be regretted. Conditions in the Far East and South America remain disturbed. The Disarmament Conference is at an impasse. Two great countries have withdrawn from the League of Nations. All of these events are profoundly depressing to the lovers of peace, all over the world. Another unsettling factor," said Mr. Moore, "was the question of war debts, and their adjustment must precede the regaining of world stability and international amity for which we so earnestly hope."

Recovery Programme in the United States.

Deploring the failure of men to co-operate in the solution of international problems Mr. Moore observed their greater readiness to work together within a narrower field—that of their own nation, or of their own industrial group. "Among thoughtful men," he said, "the conviction is certainly growing, of the need for greater co-operative effort; and a willingness to co-operate in wise plans, with limited objectives, but for the good of all, is being manifested. The consciousness that purely selfish rules of action cannot produce satisfactory results, either for men as individuals, or for industrial groups, is probably more in evidence today than at any time before."

Referring to recovery programme to the south of our borders, Mr. Moore termed their methods as "equally novel and vast beyond imagination, but," he added, "we cannot but hope that they will be successful." He called attention to the fact that the social reforms now taking place—taking children out of factories, and the like—has been going on gradually within the British Empire for generations past.

Examples in Britain and the United States.

Observing that there are some who would have us in Canada copy the plans of President Roosevelt, Mr. Moore pointed out that conditions in Canada, depending as it does on its external trade, are so different from the relatively self-contained character of the United States as to make unthinkable a similar recovery programme here. "We would prefer," he continued, "the tried and proven methods so successfully followed by Great Britain during the past two years. Let us take note in this connection that whereas in our own dominion and the United States signs of recovery have only been visible during the past six months, in Britain there has been a sustained and continuous recovery dating from the Fall of 1931, when the wise and sure plans were initiated, from which the Mother Country has not since swerved. Her industrial revival is now more than two years old; it has been far from spectacular, slow but steady from the first, and shows no signs of flagging now."

Empire Trade.

Mr. Moore attributes our sales to Great Britain as being largely responsible for an increase in our exports from $501,800,000 in 1932 to $537,500,000 during the past year.

"To what extent the revival of Britain's demand for Canadian exports is attributable directly to the business revival in the Mother Country, we do not know. Nor do we know yet to what extent it may have been due to the series of trade agreements, which emerged from the Conference at Ottawa two years ago. We may, however, rejoice that the countries of the British Empire, including Canada, have been and are still participating with Britain in this improvement; and we naturally hope to participate even more fully from henceforth."

Our Debt Burden

Mr. Moore dealt at some length with Canada's debt burden and referred particularly to the railroad situation. "Britain has insisted," he said, "that the public authorities shall pay their way—shall studiously refrain from contracting new debts.

"In Canada, by contrast, our governments and municipalities present a spectacle of unbalanced budgets and over-borrowing. Moreover, we still carry the incubus of a nationalized railroad system, whose deficit is likely to make demands upon the public purse, in the current fiscal year, amounting to $50,000,000 or more. Our good wishes go out in full measure to the new Directorate, and we sincerely hope that they may succeed in lightening this burden.

"The weight of our debts has been one of the most depressing elements in the consciousness of those who must carry them. Not only have our governments and municipalities now been compelled to face this troublesome situation; but a considerable proportion of our people are involved personally with additional private debts—obligations assumed at a time when prosperity promised them an easy course of payments.

Monetary Manipulation No Remedy.

"For those among us who promise, by monetary manipulations, to bring about such a rise of prices. Frankly, their proposals are quite unconvincing; nor does the recent experience of the United States encourage us in the belief that such a rise of prices can be brought about when desired. It must be observed that since July last, despite the staunch efforts of the Administration, there has been no sustained increase in the level of prices in the United States.

"The balancing of expenditures with income on the part of governments, municipalities and individuals, is our only remedy," said Mr. Moore, with some emphasis, regretting at the same time that as far as our governments and municipalities are concerned, many still fail to appreciate the vital importance of such a policy.

Salvation is in Established Principles.

"The lessons of the past four years, if we have learned them well and act upon them, will at least assist us towards stability. Yet there are some, unfortunately, whose disposition it is to smile when the virtue of a balance between income and expenditure is preached. Let me, therefore, emphasize the reality which underlies this principle; for it is with economic realities that we must deal.

"In normal times, when business conditions are healthy, not only do those industries flourish which produce food and clothing, fuel and footwear, the things that we consume as fast as we purchase them. So too does a quite different type of industry flourish—that which produces goods of a lasting character. I have in mind the construction industries and the producers of construction materials, of railroad equipment, of machinery. It is upon these that the burden of the depression has fallen most heavily.

"While the factors influencing changes in business conditions are almost innumerable, and their interaction with one another is so complicated that an explanation of them within the limits of a single short speech is a virtual impossibility; nevertheless I should like to point out that sustained activity on the part of the producers of durable goods requires, as a condition making it possible, an abundant flow of private savings looking for investment in the long-term money market.

"Business conditions are only healthy in the true sense of the word, when private investment in private enterprise is proceeding without interruption.

"Under normal circumstances, when budgets are balanced and private enterprise has found full access to the investment markets (instead of having to meet therein the competition of public bodies with deficits to cover), the durable goods industries have little cause for worry. One of the main reasons why the burden of the depression during recent years has fallen with the greatest force upon these industries, is because the natural process of saving and investment has been interrupted.

"Whether it be due to lack of prospective profit or to pre-emption of investment funds by government bodies, there is at present little private investment in private enterprise, anywhere on this continent. And that is why so many of the producers of durable goods, in these great industries that I have mentioned, are idle at the present time.

"So long as budgets are unbalanced; and so long as money markets are pre-empted by governments for this reason, and deficits on current account are made up by borrowing; so long as the fear exists, that in the process of balancing budgets, high rates of taxation may be raised still higher; and so long as lack of confidence exists in the profitableness of investment in private enterprise, just so long will private enterprise feel this paralyzing influence, the channels of investment be diverted from their true purpose, and these industries languish. One of the main objectives that we should set before ourselves, is a sustained revival in the group of industries producing construction materials, equipment, and the like.

"It is, indeed, encouraging to note within the past few months, some signs of revival in many such industries, both here and to the south of the border. But the signs of revival, as yet, are faint and indistinct."

While expressing the belief that we cannot safely copy the recovery programme of the United States, Mr. Moore thinks it conceivable that some features of it, if they prove successful, might be advantageously adopted by us. Generally speaking, however, referring to Great Britain's balanced budget, our objective should be to steer our course by her chart, in so far as this is possible.

Mr. Moore concluded his address with these words of confidence. "We have weathered the storm for four years and the winds are now more favourable. The element of fear is giving place to one of confidence and I believe that we can look forward to a better year in 1934 than the one through which we have just passed."

General Manager's Address.

After reviewing at some length the profits for the year and the changes in the items of the balance sheet, Mr. J. A. McLeod, General Manager, spoke as follows: "For some years past it has been my unpleasant duty at successive Annual Meetings, to record new declines in commodity prices, new contractions in business and new increases in the numbers of unemployed. It is with very great pleasure that I am able to present to you today 'a somewhat changed picture.'

A Definite Improvement in Business.

The bottom of the depression, according to Mr. McLeod, was reached some time between February and May of last year "when business conditions were at the lowest ebb within the memory of living man. I, personally, am inclined to regard April as the month in which our problems were the most difficult and our sky the darkest. In any case, there is no doubt that with the first warm sunshine of Summer there was a strengthening of markets, a quickening of our industrial energies, and a renewal of hope.

"This was reflected during the past season in improved quotations for most of the basic commodities that Canada has to sell, and in stronger markets. It appears today in the better balance sheets of corporations. Evidence of it is to be found in the reduced number of business failures. Most welcome of all its manifestations, however, to any Canadian who is alive to the privations which many thousands of our people have been compelled to endure during the past few years, is the recent expansion in the working force of our industries, which has considerably reduced the numbers of the unemployed."

Improvement in the Maritime Provinces.

"Of especial interest to us this morning," said Mr. McLeod, "is the fact that the Maritime Provinces have largely shared in such improvement as has occurred. Agriculture and the lumbering industries have perceptibly benefitted; agriculture, by good crops and generally higher prices which in the case of apples were due to the rise in sterling exchange; and lumbering, as a result of the better sterling rate and an improved market following the preferential duty of 10% which Britain has established on imports from this country.

"While the steel and coal industries have not shown as much improvement as agriculture and the lumbering industry, there is no doubt that they have also benefitted by the general revival of business in Canada.

"I would that I could sound an equally cheerful note with regard to the fishing industry, whose great importance to outlying districts in the Maritime Provinces, as well as to the larger centres of population, does not need emphasis. Unfortunately, conditions in the fishing industry have not yet improved.

"The generally better tone of business in the Maritime Provinces is, perhaps, illustrated most vividly by the revival of new construction. While much of this new construction is being undertaken by public bodies, a considerable proportion of it is due to private enterprise. New construction initiated by private enterprise is, as you know, based, in a large measure, on confidence in the future. It is of good omen that the aggregate value of construction contracts awarded in this part of Canada, during the fourth quarter of 1933, was greater by more than 80%, than the value of such contracts awarded in the fourth quarter of 1932."

Extent of the Nation-wide Reduction in Unemployment.

Turning from conditions in the Maritimes to the Dominion as a whole, Mr. McLeod noted a series of improvements in many centres of industry from Halifax to Victoria, and a general decrease in the number of our unemployed workers. Dealing further with the questions of unemployment, he said, "The records of employment of the Dominion Government are published monthly in the form of an index number, whose rise or fall merely records the fact of an increase or decrease in the number of workers on the country's payrolls; and this index number does not directly tell us how large is the working force at any given moment, nor how great an expansion in our working force is represented by a given percentage of change in the government index.

"Fortunately, however, the results of the census of 1931 are becoming available. This census included data regarding employment and unemployment which, when combined with the monthly records of employment published by the Dominion Government, throw new light on current conditions in the labour market.

"As the result of a very intricate statistical investigation that has been conducted in this Bank, I am satisfied that between the beginning of April, and the close of 1933, not less than 260,000 Canadian workers, who had been unemployed, found new places in industry. It is indeed possible that the number may have been slightly larger.

"Nevertheless, this should not lead us into an easy optimism. It does not mean that all will be clear sailing henceforth, and that we have merely to wait for time to complete the process of recovery. Nor should it blind us to the facts that, in spite of the return to work of more than a quarter of a million persons, conditions in many parts of the country, particularly the Prairie Provinces, still leave much to be desired; there are still large numbers of our workers unemployed in all sections of the Dominion; and a continued and very considerable further improvement in business conditions is needed, before those who are still looking for work can again hope to secure employment.

The Burden of Relief.

Despite the decrease in unemployment Mr. McLeod feels that we still have heavy relief expenditures to face; the cost falling, in part, upon private charities, in part, upon our municipalities, in part, upon our provincial governments, and, in part, upon the Dominion authorities.

"At best," he said, "if we were to finance out of current revenue these obligations to the less fortunate of our fellow citizens there would rest upon our shoulders a heavy burden of taxation; at worst, if, instead of paying out of current revenue, we load our relief charges on the future, there will be further growth in our already staggering load of debt."

The Dangers of Over-Borrowing.

Emphasizing a point which had already been made by the President, Mr. McLeod then dwelt on the dangers involved in past and present over-borrowings. "In this connection," he observed, "I should like to draw upon a chapter of the widely-read Report of Lord Macmillan's Commission — The Royal Commission on Banking and Currency—whose importance has not so far been appreciated by the country. I refer to the statistics of Canadian indebtedness, which are assembled in Chapter IV.

"Parliament is assembling at this moment, and we may be sure that during the coming session the recommendations of the Commission will be discussed very fully. I shall not attempt to deal with them at all in this place. It is not my intention, at this meeting, to dwell upon the contentious question of a central bank for Canada —a question which I have already discussed at great length, both at the hearings of the Commission and at other times; but (returning to the picture of our indebtedness which is presented by the Commission) I should like to recall to your minds a few figures taken from the fourth chapter, whose importance no Canadian, interested in the welfare of his country, can ignore."

The Growth of Public Debts in Canada.

Continuing on the subject of public debts in Canada, Mr. McLeod said "The Commission found that the total indebtedness of Canada at the time when the War began in 1914 (and this includes the debts of corporation), was, in round figures, 2,230 millions of dollars. Of this, almost exactly one-half consisted of the direct and indirect liabilities of governments and municipalities; and almost exactly half, of corporation indebtedness.

"In 1919, at the close of the War, the total indebtedness of corporations had increased by less than 1%; it was almost exactly the same as it had been five years earlier. On the other hand, the indebtedness of governments and municipalities had increased by 1,515 millions of dollars, or 135%. A large proportion of this may be classified under the head of War costs; and we may regard it as having been, for the most part, unavoidable.

"But what afterwards occurred, between 1919 and 1932? While the indebtedness of corporations rose, in round figures, by 980 millions of dollars (a not unnatural accompaniment of rapid industrial expansion), the debts, direct and indirect, of Canadian governments and municipalities, rose by no less than 3,920 millions of dollars, or by four times as much.

"This represents an increase of indebtedness on the part of governments and municipalities, as between 1919 and 1932, of no less than 150%, following the previous increase in war-time of 135%.

"(Incomparably the largest single item is the maintenance, betterment, equipment and extension of the Canadian National Railways during recent years. Colossal sums have been borrowed by, or in behalf of, the Canadian National Railways: and the payment of interest and principal on the sums so borrowed is the heaviest of the burdens which this generation has contracted; which, therefore, in due time, will pass on to its children.) Suffice it for me now to call your attention to the aggregate of all our public debts, which even in 1932 was in excess of 6,500 millions of dollars, this total representing the combined direct and indirect obligations of our governments and municipalities. (The figure for 1933, if it were available to-day, would certainly be larger still, by some hundreds of millions of dollars.)"

The Burden of Interest Charges on the Taxpayer.

"This vast total of obligations on account of interest and principal, most of it incurred in peace-time, must be met, sooner or later, from the proceeds of the taxes, that these governments and municipalities will be compelled to levy upon us. Indeed, statistics reveal that nearly 10% of the national income is required to meet interest charges alone on Government and municipal debt.

"These figures represent the burden that we have taken on, almost the whole of it in the lifetime of the present generation; as everyone knows, it is becoming heavier day by day.

"If the taxpayer were to conceive of himself as already loaded personally with his portion of this burden of debt: if he were to realize that every new loan contracted, by the taxing authorities placed over him, will add to that burden on his shoulders: and that his life contains only two certainties—those of eventual death on the one hand, and on the other, the collection of this debt, either from him or his children: we should find a new kind of realism in Canadian politics.

Need for an Active Public Opinion.

Stressing the need for realism in our thinking at the present time, Mr. McLeod pointed out that "Situated as we are between Britain and the United States, we conduct by far the greater part of our international financial transactions through London and New York. We are thus exposed in Canada to powerful influences which originate in these two countries. We feel in Canada the consequences of policies which are originated in Britain and in the United States, naturally, not in response to our needs but in response to their own. These consequences are reflected in the value of our dollar on the foreign exchanges; in our own domestic level of prices; and even, to some extent, in our taxable capacity.

"If we are to be masters of our own destinies in such a situation, we cannot afford to be the slaves of debt; yet a continuance of the growth of public debts, at the same rate as during the past twenty years, would inevitably make us the slaves of debt.

"I am happy to note, in the recent speeches of our public men, indications that the government is well aware of the dangers to which I have been drawing your attention: but there is room for doubt that our fellow citizens have an adequate appreciation of them. Governments can act in response to public needs, can make an effective tool of policy, when they have behind them an informed, alert and mandatory public opinion. An apathetic public opinion is a paralyzing influence on government. Let us hope that in Canada the trials that we have endured together during these hard years will, in time, give us a public opinion such as our circumstances need. When our people realize clearly the pressing nature of our problems, I have no doubt that realism will be the keynote of their thought."

Bank Chat on Current Topics

Old Bank Note Is Still Good

RELICT of a long-forgotten bank failure, a $3 bank note of the defunct St. Stephens Bank of St. Stephens, N.B., was recently turned in at the North-end branch of the Dominion Bank at Winnipeg. The St. Stephens Bank suspended operations in March, 1910, and it is recorded that noteholders and depositors were paid in full, the president advancing sufficient money to permit this without any resort to the double liability of shareholders who held $200,000 of fully paid-up stock.

On this basis the ancient bank note, dated in 1886, would appear to be worth at least its face value and if interest at 5 per cent were added it will be worth more than double its face value.

The old St. Stephens Bank did a local business and when it suspended operations in 1910 had but one office although the bank was originally established about 1836. The bank had $149,935 of notes in circulation and deposits of $386,160. Total liabilities amounted to $549,830 and assets to $818,271. Today the Bank of Montreal, the Bank of Nova Scotia and the Royal Bank each operate a branch at St. Stephen.

* * *

Australian Interest Rates

ONE of the chief points of attack on the Australian bank system at present is the rate of interest charged on advances," according to the opening sentence of a comprehensive circular recently sent out by the Bank of New South Wales which constitutes an elaborate defense of the Australian trading banks and which ends with the conclusion that Australian interest rates are lower than in most other countries and that they have fallen to a greater degree.

Marked example of this drop is the rate of interest paid on deposits. At present the trading banks are paying 2 per cent on deposits of three months currency up to 3 per cent on 24 months deposits. In the former class the rate paid has been reduced five times since 1930 when the rate was 4½ per cent while the rate on 24 months deposits has been reduced from 5¼ per cent in five steps. On six months deposits the current rate is 2½ per cent and on 12 months deposits, 2¾ per cent.

Fewer details are given as to the rates charged on loans but a chart prepared by the Government statistician shows overdraft rates at the lowest point in 45 years.

Branch Changes

The Bank of Toronto has opened a branch at Pioneer, B.C.

C. A. Gray is Chairman Ottawa Clearing House

C. A. Gray, of the Royal Bank, was elected chairman of the Ottawa Clearing House for 1934 at the annual meeting held recently. Lt.-Col. W. O. Fellowes, Dominion Bank, was elected vice-chairman and W. W. Forrest was reappointed secretary and manager. The retiring chairman was G. C. Gardner, Bank of Toronto.

Ottawa clearings during 1933 totalled $196,686,205 as compared with $227,999,793, a decrease of $31,313,588 or 13.7 per cent. Bank debits totalled $1,339,009,715, a decrease of $240,517,917, or 15.2 per cent from the 1932 total of $1,579,527,632. In only two months, July and November, were 1933 clearings in excess of those of 1932.

Monthly clearings of the Ottawa Clearing House during 1933 and 1932 were as follows:

	1932	1933
January	$22,222,031	$14,822,115
February	20,520,318	13,516,713
March	20,977,228	14,753,573
April	21,424,994	14,402,892
May	18,883,311	17,779,842
June	21,460,978	20,327,832
July	16,910,800	17,106,050
August	16,420,057	15,849,456
September	16,825,546	15,610,713
October	17,350,551	17,303,570
November	17,895,088	18,530,755
December	17,048,891	16,682,694
Total	$227,999,793	$196,686,205

Current Events in Banking World

DOMINION BANK SHARES EARNED $16.27 IN 1933

Reserve is Reduced by $2,000,000 to Cover Contingencies

MORE GOV'T BONDS

Demand Deposits Gain for First Time in Four Years — Current Loans Are Up

Net profit of the Dominion Bank dropped moderately in 1933 to $1,139,202 from the $1,179,931 reported for 1932 reducing earnings per share to $16.27 from $16.86 before provision for write-off on premises, appropriation for pension fund and taxes. No provision was made for depreciation in securities as was done in 1932 and 1931 but reserve was reduced from $9,000,000 to $7,000,000 to provide for unforeseen contingencies by increasing existing inner free reserves. This action follows that of four other Canadian banks.

Other appropriations are all at the 1932 level except the reduction in dividends to $700,000 from $770,000. Surplus for the year was therefore smaller than that in 1932. Profit and loss account for the past two years is as follows:

Income and Surplus Account
Years Ended Dec. 31

	1933 $	1932 $
Net profits	1,139,202	1,179,931
Less appropriations:		
Dividends	700,000	770,000
Officers' pens. fund	50,000	50,000
Writ. off premises	50,000	50,000
Prov. for depr. in secs.	......	250,000
Dom. & Prov. taxes	214,631	214,367
Surplus for year	124,571	†154,436
Add: Prev. surp.	310,773	465,209
Balance forward	435,344	310,773

*After charges of management, interest on deposits and reserve for doubtful assets.
†Deficit.

Demand deposits are up to $18,104,000 as compared with $16,714,000 in 1932, the first time in four years that an increase has been shown in the annual statement. Savings deposits are slightly lower at $77,467,000 but the drop is less than that shown during 1932. Notes in circulation are up to $6,261,000 from $5,832,000 while government advances remain at $1,500,000 and liabilities to banks abroad are slightly higher due to increases in letters of credit which reflect increase in trade activity.

Assets Are Down

Total assets are down slightly, to $121,172,546 from $122,917,038. While holdings of government securities are up to $25,619,000 from $22,407,000, Dominion Government notes held are down to $7,624,000 from $11,853,000 and amounts owing by foreign banks are down to $1,857,000 from $2,710,000. Specie shows little change at $629,897; gold reserve remains at $400,000 and call loans abroad are down slightly at $958,000.

Holdings of public securities are up to $5,636,000 from $4,751,000 and Canadian current loans are up to $54,091,000 from $53,645,000 but railway securities are lower at $2,506,000 and Canadian call loans are down to $7,108,000 from $8,024,000. Current loans abroad have been reduced to $291,000 from $834,000. Non-current loans are down to $391,144 from $398,327.

The statement of the bank as at December 30, for the past two years is as follows:

GENERAL STATEMENT
As at December 31

Assets	1933 $	1932 $
Immediately Available Liquid Resources		
Specie	629,897	624,980
Dom. govt. notes	7,623,724	11,853,104
Gold reserve	400,000	400,000
Due by foreign banks	1,857,085	2,710,461
Foreign currency	69,355	37,825
Govt. secs.*	25,618,827	22,407,342
Call loans abroad	958,004	995,895
	37,156,842	39,028,607
Loans and Securities Other Than Those of Canadian Government		
Public secs.*	5,635,606	4,751,463
Rly. bds. & secs.*	2,506,055	2,824,457
Can. call loans†	7,107,791	8,023,517
Can. current loans‡	54,091,417	53,644,902
Current loans abroad‡	290,992	834,005
	69,631,861	70,078,344
Due from Other Banks		
Notes of other bks.	628,655	678,585
Cheques of other bks.	5,218,199	4,936,426
	5,846,854	5,615,011
Other Assets		
Non-current loans‡	391,144	398,327
Real estate	75,641	71,435
Mortgages	21,732	25,566
Letters of credit	1,661,643	1,250,393
Bank premises	5,930,000	5,980,000
Deposit re circ. fd.	304,550	324,825
Sundry assets	152,279	143,530
	8,536,989	8,194,076
Total assets	121,172,546	122,917,038
Liabilities		
To the Public		
Circulation	6,261,243	5,832,231
Govt. advances	1,500,000	1,500,000
Deposits by public:		
Demand	18,104,157	16,713,773
Sav. & accr. int.	77,467,474	79,346,873
To banks abroad, etc.:		
Foreign banks	709,725	1,128,410
Letters of credit	1,661,643	1,250,393
Other liabs.	286,708	265,033
	105,990,950	106,036,713
Due other Can. bks.	570,678	393,628
To the Shareholders		
Dividend payable	175,000	175,000
Unclaimed divds.	574	924
Reserve fund	7,000,000	9,000,000
Capital stock paid in	7,000,000	7,000,000
Surplus	435,344	310,773
	14,610,918	16,486,697
Total liabilities	121,172,546	122,917,038

*Not exceeding market value.
†Secured by securities of a sufficient market value to cover.
‡After reserve for bad and doubtful debts.

Raymond's Use Of Scrip Money Aids Finances

From Our Own Correspondent

LETHBRIDGE. — Raymond, Alta., south of this city, is so pleased with its system of municipal financing with scrip that it is planning to make a new issue this year. This financing was the product of the depression and Mayor W. G. Meeks asserts that it has been a tremendous help in a difficult period.

Scrip has been used now for three years, the amount of the issue being increased each year. About 40 per cent of the paper was made negotiable and was paid to relief and municipal employees. The latter were paid on a basis of 40 per cent cash and the balance in scrip. Later school teachers were brought under the plan and now receive part of their salaries in scrip. The non-negotiable scrip was paid to individuals owing back taxes and who were given employment by the municipality.

One instance of the way scrip goes into circulation is given by Raymond officials as follows:

Example of Circulation

One of the town's employees received a town warrant or scrip to the value of $40. This amount was paid to a Raymond merchant on account. The merchant paid the scrip to his landlord on rent and the landlord in turn applied the paper on his taxes. That $40 pink slip bearing the name and authority of the town of Raymond with the signature of its mayor and secretary-treasurer actually paid off debts to the amount of $160. And yet not a dollar in what most people consider actual money changed hands.

In the year 1933 the town issued $20,000 worth of scrip. Of this amount 65 per cent was negotiable. Only $600 is still outstanding. Once the scrip makes its rounds and returns to the town in payment for taxes, water and light rates, licenses, etc., it is cancelled. It has served its purpose.

That the bulk of the scrip returns in settlement of taxes is revealed in the fact, stated by Mayor Meeks, that of the amount issued last year $15,000 has come back in tax payments. The general financial position of the town has been improved. In May, 1931, the town's indebtedness to the banks was $53,000; today it is less than $20,000. Last year as much as $1,000 was saved in interest charges alone.

Foreign Exchange

GROWTH of feeling that the United States dollar might be stabilized in terms of foreign currencies or gold sustained its strength against Canadian dollars and sterling in the week ended Jan. 22. Repatriation of American capital from foreign centres is looked for, if stabilization develops. However, talk of a hard dollar last October later turned to talk of a rubber dollar, and as yet there is no indication that permanent stabilization is planned by Washington for the near future.

What the United States appears to be planning is operation of its $2,000,000,000 equalization fund, to what purpose is obscure. Heavy purchases of gold in London are reported to have been made. This would tend to keep the dollar down. With the whole world owing money to the United States, however, authorities foresee ultimate necessity of heavy sales of American dollars by the fund to offset purchases by foreign debtors and by Americans holding balances abroad. The contention is that the dollar can only be kept down by Government action, if an inflow of purchases develops.

* * *

THE pound sterling has slipped off its peg against gold francs. But pound-franc stability may again develop at a new level as it has done before. The Canadian dollar has been at a discount to both sterling and American dollars. It appears to still be drifting. This discount has not been sufficient to cause undue embarrassment this year regarding payment of foreign debts, and is claimed to have benefitted our export trade.

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Jan. 16	[illegible]	*1/16	13¾	13 5/16
Jan. 17	[illegible]	¼	14½	14⅜
Jan. 18	1¼	⅞	15	14½
Jan. 19	1	¾	15⅛	14⅞
Jan. 20	1	¾	14⅝	[illegible]
Jan. 22	1 1/16	⅞	14⅞	14¼

*Discount.

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 16	5.07	.0628	.0839
Jan. 17	5.04	.0631½	.0842
Jan. 18	4.95¾	.0625	.0835
Jan. 19	5.03	.0628	.0838
Jan. 20	5.00	.0624½	.0836
Jan. 22	5.00½	.0627½	.0838

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 16	5.09	0.0631	0.0841
Jan. 17	5.07	0.0634	0.0846
Jan. 18	5.02¼	0.0633	0.0846
Jan. 19	5.06	0.0631¼	0.0844
Jan. 20	5.05	0.0631	0.0844
Jan. 22	5.04½	0.0633	0.0846⅛

	Reichsmarks	Belga	Yen
Gold Par	$0.238	$0.139	$0.498
Jan. 16	0.3812	0.2243	0.3099
Jan. 17	0.3836	0.2256	0.3096
Jan. 18	0.3833	0.2249	0.3063
Jan. 19	0.3826	0.2245	0.3077
Jan. 20	0.3820	0.2240	0.3078
Jan. 22	0.3828	0.2248	0.3035

Weekly Bank Clearings

	Jan. 18 1934 $	Change year ago %	Jan. 11 1934 $
Halifax	2,055,391	+ 9.8	2,023,621
Saint John	1,656,885	+17.3	1,427,419
Moncton	605,555	+12.8	752,783
Sherbrooke	465,482	+ 3.2	538,563
Quebec	3,415,747	+ 4.8	3,571,026
Montreal	83,286,815	+24.8	87,820,076
Ottawa	4,125,054	+20.4	3,984,176
Kingston	440,137	+ 8.7	547,692
Peterborough	606,306	+ 9.0	535,938
Toronto	105,037,256	+40.1	96,626,504
Hamilton	3,018,331	+ 3.4	3,415,950
Kitchener	905,835	+30.9	797,293
Brantford	620,425	+12.4	732,230
London	1,856,751	— 7.4	2,112,516
Chatham	441,310	+16.6	389,814
Windsor	1,873,238	+ 6.6	1,694,642
Sarnia	403,435	+32.3	362,292
Sudbury	526,727	+32.6	500,855
Ft. William	570,822	+26.7	425,873
Winnipeg	46,372,253	+70.4	32,935,995
Brandon	223,256	—12.2	266,682
Regina	2,313,910	+11.5	2,518,932
Moose Jaw	469,734	+ 5.7	409,804
Saskatoon	1,024,683	+ 2.5	1,057,743
Pr. Albert	229,615	+13.2	284,363
Edmonton	3,931,907	—31.4	3,467,587
Calgary	4,187,364	+ 0.3	4,238,068
Medicine Hat	170,442	—11.7	214,674
Lethbridge	415,463	+41.7	375,922
N. W'minster	354,576	— 1.4	407,422
Vancouver	13,782,783	+21.5	13,036,143
Victoria	1,456,943	+10.2	1,462,619

NOVA SCOTIA HAS GAIN IN DEPOSITS LIQUIDS HIGHER

Shares Earn $16.96 as Compared With $19.20 in 1932

LOANS MAINTAINED

Holdings of Dominion Notes Well Above Average — Finance Act Advances Unchanged

The Bank of Nova Scotia earned $16.96 per share on 120,000 shares in 1933, before write-offs for bank premises, pension fund payment and taxes, as compared with $19.20 in 1932 but through reduction of $300,000 or 2½ per cent in the amount of dividends paid, surplus for the year's operations was increased to $58,900 from $18,592. Total assets of the bank increased by over $5,400,000 to $270,316,753; both interest-bearing and non-interest bearing deposits showed an increase and liquid assets were higher.

Net profits of the bank dropped to $2,035,900 from $2,303,435, approximately the same reduction as was shown in 1932 in comparison with 1931. Profit and loss account of the bank for 1933 and 1932 is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Net profits*	2,035,900	2,303,435
Less appropriations:		
Dividends	1,500,000	1,800,000
Pension fund	115,000	115,000
W/o bank premises	250,000	250,000
Dom. govt. taxes	112,000	119,843
Surplus for year	58,900	18,592
Add: Prev. surp.	578,225	559,633
Bal. car. forward	637,125	578,225

*After charges of management and provision for bad and doubtful debts.

Deposit liabilities increased to $32,476,000 from $27,970,000 in non-interest-bearing deposits and to $175,516,000 from $175,160,000 in interest-bearing deposits. In 1932, this was the only bank to show a gain in interest-bearing deposits while in 1933 it was the only bank to show gain in both interest-bearing and non-interest-bearing deposits.

Liquid Assets Higher

Investment in the most liquid type of assets has been increased with holdings of government securities up to $54,905,000 from $46,809,000. Holdings of Dominion notes are materially higher than in the annual statements of recent years being up to $24,254,000 from $19,656,000 in 1932. Call loans abroad have been somewhat reduced but the decline is more than made up by increase in foreign currency holdings to $2,090,000 from $1,382,000. Gold reserve remains at $1,250,000 while specie is down to $8,994,000 from $9,829,000.

Canadian current loans have been increased to $97,117,000 from $96,523,000 but the gain is largely offset by decrease in current loans abroad which are down to $13,133,000 from $13,640,000. Holdings of public securities are down to the 1931 level at $16,372,000 as compared with $20,355,000 in 1932 while holdings of railway and other securities is practically unchanged at $7,913,000. Due possibly to increase in year end business activity cheques of other banks are up to $8,198,000 from $6,770,000 shown in 1932. Among other assets of the bank, non-current loans are up to $878,000 from $686,000 and investments in and advances to subsidiaries are higher at $2,726,000.

Notes of the bank in circulation are up to $11,501,000 from $11,079,000. Advances under the Finance Act remain unchanged at $3,214,000. Liabilities to foreign banks are down to $2,184,000 from $2,610,000 while liability on letters of credit is up to $5,722,000 from $4,835,000. Capital remains at $12,000,000 and reserve at $24,000,000.

The balance sheet of the bank at December 30, 1933, compares with that at the end of 1932 as follows:

GENERAL STATEMENT
As at December 31

Assets	1933 $	1932 $
Immediately Available Liquid Resources		
Specie	8,994,314	9,829,480
Dominion notes	24,253,953	19,656,294
Gold reserve	1,250,000	1,250,000
Due by for. banks	6,505,286	7,440,109
Foreign currency	2,089,584	1,382,317
Government secs.	54,905,114	46,808,773
Call loans abroad	1,968,073	2,187,754
	99,966,324	88,554,727
Loans and Securities Other Than Those of Canadian Government		
Public securities	16,372,484	20,355,283
Rly. & other secs.	7,912,674	8,024,925
Candn. call loans	9,042,137	13,057,298
Candn. curr loans*	97,117,482	96,522,895
Curr. loans abroad*	13,132,518	13,639,883
	143,577,295	151,600,284
Due from Other Banks		
Notes of other banks	897,136	1,013,389
Cheques of other bks.	8,197,668	6,770,172
	9,094,804	7,783,561
Other Assets		
Non-curr. loans*	878,030	686,051
Invt. in & advances to subs.	2,725,796	2,689,032
Letters of credit	5,722,394	4,834,757
Bank premises	7,624,458	7,983,802
Dep. re circ. fund	531,194	568,910
Other assets	196,458	212,993
	17,678,330	16,975,545
Total assets	270,316,753	264,914,117
Liabilities		
To the Public		
Circulation	11,501,047	11,079,008
Advs. under F. Act	3,214,000	3,214,000
Deposits by Public:		
Non-int. bearing	32,475,976	27,969,914
Interest bearing	175,516,335	175,159,661
To banks abroad, etc.:		
Foreign banks	2,183,714	2,609,796
Bills payable	255,154	230,171
Letters of credit	5,722,394	4,834,757
Other liabs.	265,650	274,589
	231,134,320	225,371,896
To banks in Canada	2,181,331	2,539,258
To the Shareholders		
Divds. unpaid	363,977	424,738
Reserve fund	24,000,000	24,000,000
Capital stock	12,000,000	12,000,000
Surplus	637,125	578,225
	37,001,102	37,002,963
Total liabilities	270,316,753	264,914,117

*After reserve for bad and doubtful accounts.

S. C. TWEED, general manager for Canada for the Occidental Life Insurance Company, left recently for Los Angeles, Calif., in connection with his company's business. While in Los Angeles Mr. Tweed will attend the company's annual meeting and agency meeting.

Mr. Tweed reports the 1933 business of the Occidental Life as exceeding all past records.

Insurance for Buyer and Seller

HIGHER ASSETS SHOWN FOR 1933 BY CANADA LIFE

New Business Down to $53,000,000 But Annuity Sales Soar

A gain of nearly $10,000,000 or 5 per cent in total assets and a slight gain in free surplus after writing ledger assets down by $2,333,808 during the year is reported in the 87th annual report of Canada Life Assurance Co. Total assets now stand at $226,843,000, the highest figure in the company's history.

New business issued and paid for by the company shows a sharp decline, the former figure being lower by 36 per cent and the latter down by 34.8 per cent as compared with 1932. Paid for business in 1933 was $52,688,000. Total business in force at the end of the year is shown at $852,668,000 which is a decline of 7.8 per cent from the corresponding figure of 1932.

Annuity Income Gains

A feature of the year's underwriting was the sharp increase in the amount received in consideration of annuities. The 1933 figure was $10,180,000 as compared with $7,780,000 the previous year, or an increase of 30 per cent. The amount received for annuities in 1933 is 80 per cent greater than the corresponding figure for 1931.

Net premium income for the year is lower by almost $2,000,000 than in 1932 but according to A. N. Mitchell, general manager of the company, a comparison of first year premiums collected for new business indicates that moneys received for insurance and annuities on that basis, was actually $300,000 ahead of 1932. Mr. Mitchell pointed out that with the number of low premium policies that are being generally sold this comparison is "possibly the best measuring rod for new business." Revenues received from interest and rents were lower than in 1932 and amount to $9,640,000.

Bond Holdings Increase

The gain in assets already noted was due to an increase of over $11,000,000 in the company's holdings of government and municipal bonds. During the year the company had available from income, for new investment, over $9,000,000. The company's balance sheet this year segregates government and municipal bond holdings as between those in Canada, United States and Great Britain. This discloses that in 1933 the company's holdings of these bonds amount to over $66,000,000 while bonds of other countries are shown at only $925,000.

For balance sheet purposes the company's assets are all shown on the basis of book values which, it is pointed out, are, in total, less than would be the case "if the values officially established by the federal insurance department had been used." Values of industrial and other bonds show an increase while mortgages and policy loans are lower than a year ago. Contingency reserves are unchanged at $2,000,000 while free surplus is higher than in 1932 by $70,100 after writing down ledger assets by $2,233,808.

British Division Leads

At the company's annual meeting, special mention was made of the excellent record of the company's division in Great Britain which achieved a premium income for the year of £2,470,000 and a total production of £2,944,000 in life policies and £1,168,000 consideration for annuities. Both the president and vice-president of the company's Quarter Million Club are this year found in the company's Great Britain division. Kenneth G. Brown of Hamilton led the field in Canada and United States.

From the company's conservation department it was reported that cash payments on account of policy loans during the year had been over $3,700,000 and in the last quarter of 1933 these repayments were fifty per cent greater than during the last quarter of 1932. Gross surrenders for the last six months of 1933 were eleven per cent less than for the last half of 1932.

Comparative figures for the chief items in the company's statement follow:

Business in 1933

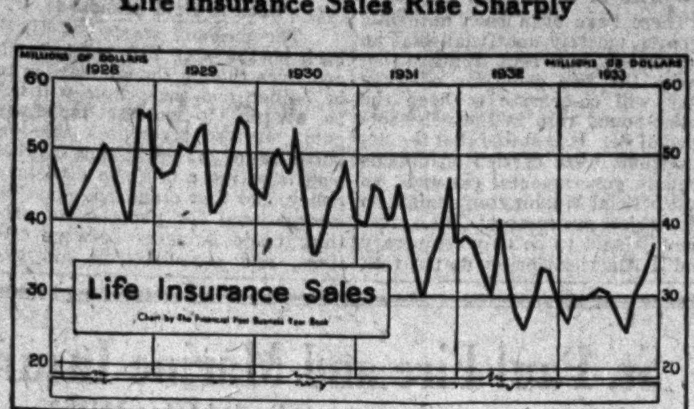
	1933 $	1932 $
New Ins. Issued* ..	56,546,317	88,550,573
New Ins. Paid for†	52,687,962	80,535,802
Bus. in Force	852,668,334	926,389,982
Cons. for Annuities	10,180,026	7,780,299
Income and Disbursements		
Net Prem. Income .	35,229,944	37,075,177
Interest & Rents ..	9,639,917	10,092,307
Total Income	47,597,926	50,130,444
Policy Payments:		
Death Claims, etc.	8,431,740	9,336,918
Living P'holders	19,886,562	20,230,668
Assets and Liabilities		
Net Ledger Assets‡	216,577,767	206,975,814
Total Assets	226,842,892	216,886,246
Govt. & Mun. Bonds	^66,584,260	56,369,178
Other Bonds	35,743,145	33,007,829
Mortgages	55,970,269	57,854,878
Policy loans	35,209,353	37,856,151
Surplus & Spcl. Res. .	8,072,911	8,237,759
Conting. Reserve ..	2,000,000	2,000,000
Free Surplus	3,624,315	3,554,205
Policy Reserves ...	203,536,703	194,398,880

*Including reinstatements. †Including revivals and increased policies but excluding dividend additions. ‡At book values the total of which is less than "authorized" values. ^Canada, United States and Great Britain, and exclusive of $925,000 of other government bonds.

Vancouver Port Busy

Deepsea and coastwise passenger traffic through the Port of Vancouver in November showed a substantial gain over November of last year, according to port superintendent, K. J. Burns.

Life Insurance Sales Rise Sharply



Monthly paid for sales of ordinary life insurance in Canada and Newfoundland reached the highest point since June, 1932, according to Sales Research Bureau figures released this week. The upward trend in the past four months is clearly shown in the above chart.

Life Companies End 1933 With Big December Gain

All Provinces Except P. E. I. Share in Improvement—Newfoundland Sales Up 49 p.c.; B. C. Gains 35 p.c.

That life insurance ended 1933 with a bang and by the same token starts 1934 with high hopes for a fine year, is the news contained in the monthly sales figures from the Canadian field released this week from the Sales Research Bureau of Hartford.

For December there was paid for in Canada and Newfoundland by member companies no less than $37,376,000 of ordinary business. This is not only a gain of 11.5 per cent over the same period of a year ago but is the highest monthly total achieved since June, 1932 when sales went over the $40,000,000 mark.

Eight Provinces Share

All provinces except Prince Edward Island shared in the increase the gains ranging from 35.5 per cent in the case of British Columbia to 4.5 per cent for Saskatchewan. Another striking increase was a jump of 48.7 per cent in sales in Newfoundland. The only decline was in Prince Edward Island where sales were 10 per cent lower. Comparative figures follow:

December Ordinary Life Sales

	1933	1932	Gain %
Alta.	$ 1,935,000	$ 1,613,000	20.
B.C.	2,766,000	2,041,000	35.5
Man.	2,249,000	2,085,000	8.
N.B.	897,000	848,000	5.5
N.S.	1,451,000	1,097,000	32.
Ont.	15,234,000	14,290,000	6.5
P.E.I.	87,000	97,000	10.
Que.	10,962,000	9,793,000	12.
Sask.	1,447,000	1,385,000	4.5
Nfld.	348,000	234,000	48.7
Total	37,376,000	33,483,000	11.6

For the entire year total sales of reporting companies which a year ago had in force 83 per cent of total outstanding business in Canada, amounted to $364,050,000. This is 9.87 per cent below the twelve months figure for 1932 but is a fine showing when it is remembered that in the first quarter of the year, sales were running as much as 25 per cent below the corresponding figures for 1932.

By the end of the first six months the 1933 totals stood 18 per cent behind 1932 but in last half of the year rapid improvement was shown. In each of the last four months of the year increases were made as compared with corresponding months in 1932. The December increase was of course the largest percentage gain shown for any month of the year.

Comparative figures for life sales in Canada by provinces for 1933 and 1932 follow:

Ordinary Life Sales, Canada and Newfoundland

	1933	1932	% Decrease 1933
Alta.	$15,312,000	$18,325,000	16.44
B.C.	24,005,000	24,435,000	1.76
Man.	21,178,000	23,521,000	9.96
N.B.	8,797,000	9,885,000	11.01
N.S.	12,000,000	13,355,000	5.65
Ont.	152,699,000	172,608,000	11.53
P.E.I.	1,038,000	1,168,000	11.13
Que.	111,974,000	121,382,000	7.75
Sask.	13,650,000	16,432,000	16.93
Nfld.	2,797,000	2,812,000	.53
Total	364,050,000	403,923,000	9.87

NATIONAL LIFE ADDS FURTHER TO RESERVES

New Business Issued in 1933 Reported at $8,210,000

A small gain in assets and a $350,000 increase in investment reserve is reported in the 35th annual statement of the National Life Assurance Co. of Canada. Total assets now stand at $11,553,000 of which over 50 per cent is in municipal bonds.

New business issued and revived during the year amounted to $8,210,000 a decrease of only four per cent from the same figure of 1932. Total business in force at the end of the year was lower by six per cent at $55,532,000.

Reserve Now $750,000

The company shows its bonds and stocks in its balance sheet at cost or book values and against these it has this year increased its investment reserve from $400,000 to $750,000. The auditors' statement is signed subject to the adequacy of this reserve which has been increased sharply in each of the past four years having been only $10,000 in 1929. A small contingency reserve of $24,300 which was shown in 1933 does not appear this year. Surplus is lower by $100,000.

Comparative figures for the past two years follow:

Business in 1933

	1933 $	1932 $
New ins. issued & revived	8,210,238	8,539,135
Bus. in force	55,532,044	59,094,035
Income and Disbursements		
Net prem. income ..	1,550,887	1,591,203
Interest, rent, etc. .	587,911	586,929
Policy payments:		
Death claims	374,042	346,321
Dividends	154,221	191,354
Other payments ...	984,855	866,110
Assets and Liabilities		
Total assets	11,552,874	11,433,391
Bonds†	7,834,530	7,891,687
Policy loans	2,222,397	2,192,387
Policy reserves	9,706,581	9,823,365
Invest. res.	750,000	400,005
Surplus*	215,385	315,052

*Including shareholders' surplus. †At book values.

Produce Grass Seed

The following commercial supplies of clover and grass seed are estimated in Alberta: alfalfa 60,000 pounds (in the Brooks district); a total timothy yield of 250,000 pounds, mainly in the northern part of the province and the Peace River area; western rye 50,000 pounds, brome 300,000 pounds and sweet clover 300,000 pounds.

Heads Underwriters

A. D. ANDERSON

Aetna Life Insurance Co., Toronto, elected president of The Life Underwriters' Association of Canada at the annual meeting held last week.

Gains Shown In '33 Report Mutual Life

An increase in assets and small gains in business in force, total income and surplus, are reported in a preliminary statement issued by Mutual Life of Canada in respect of 1933 business. New business written by the company in 1933 was 7.2 per cent below the corresponding figure of 1932 at $40,838,600. Total business in force is higher by $550,000 at $518,521,000.

Surplus earnings for the year are lower by $400,000 at $5,091,000 before setting aside reserve for mortgage loans and writing down book values. The former took $227,000 as compared with $223,000 in 1932 while book values were written down by $831,000 as compared with $1,000,000 a year ago. After allotments and payments to policyholders the company's contingency reserve remains unchanged at $1,200,000 and free surplus is higher by $170,000 at $4,325,000.

New Dividend Plans

It is understood that for 1934 the company will retain the same basis of dividend distribution for policyholders except that the normal annual increase will be restored.

The annual meeting of the company will be held in Waterloo on February 1.

Business in 1933

	1933 $	1932 $
New ins. paid for ..	40,838,608	44,038,582
Bus. in force	518,521,336	517,967,974
Income and Disbursements		
Net prem. income ..	18,425,768	18,354,730
Interest & rents* ..	6,646,054	6,878,920
Total income	27,796,156	27,650,476
Policy payments ...	12,918,396	12,115,792
Surplus earnings ..	5,091,019	5,509,688
Assets and Liabilities		
Total assets	138,912,508	132,198,393
Invest. res.	1,200,000	1,200,000
Free surplus	4,325,268	4,157,524

*Less $425,000 in 1933 and $218,000 in 1932, deducted for possible loss of interest on farm mortgages.

Ordinary Life Insurance*

	1928	1929	1930	1931	1932	1933
January ..	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000	$29,367,000
February ..	89,962,000	47,140,000	43,925,000	40,180,000	38,145,000	26,323,000
March	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000	29,763,000
April	46,718,000	51,842,000	51,649,000	45,648,000	33,629,000	29,770,000
May	49,581,000	50,547,000	48,871,000	41,314,000	30,998,000	30,497,000
June	51,884,000	53,402,000	54,168,000	46,227,000	40,963,000	32,398,000
July	49,492,000	54,809,000	46,505,000	39,977,000	34,469,000	30,255,000
August ...	43,503,000	41,329,000	36,249,000	35,738,000	28,370,000	27,263,000
Sept.	38,872,000	43,013,000	38,994,000	30,066,000	25,207,000	25,381,000
October ...	55,743,000	50,894,000	44,527,000	36,006,000	29,858,000	31,472,000
November.	54,865,000	55,624,000	46,186,000	38,860,000	34,003,000	34,185,000
December .	56,647,000	54,189,000	49,026,000	47,163,000	33,483,000	37,376,000

Total, 1933 .... $364,050,000
Total, 1932 000,000,000

Decrease for year 1933, 9.8% .... $ 39,873,000
Increase, December, 1933 from November, 1932, 11.6% .... $ 3,893,000

*By 14 companies having in force 83 per cent of total outstanding business in Canada. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

NORTH AMERICAN EARNINGS GAIN IN 53RD REPORT

Company Uses Reserves to Revalue Assets — New Business $24,245,000

A small increase in surplus earnings and substantial writing down of assets by way of strengthening the company's balance sheet are reported in the 53rd annual report of the North American Life Assurance Co.

The report shows that after utilizing $800,000 from investment reserve, together with net profit from sale of investments and an appropriation from surplus funds, values of securities as now taken in the balance sheet are $780,000 less than those prescribed by the Federal insurance department.

New business issued in the year totalled $24,245,000—a decline of seven per cent from the 1932 total. Business in force at the end of the year was two per cent less than at the end of 1932 at $188,634,000.

Dividends at New High

Total income was higher than in 1932 due to an increase in policyholders' funds left on deposit. Premium income and income from interest dividends and rents were slightly lower than a year ago. Payments to policyholders in respect of dividends totalled $1,451,000 being a greater amount than in any other year of the company's history. Death claims showed a small decline while payments in respect of matured and surrendered policies were increased.

Of total assets amounting to $46,728,000, 32.8 per cent are invested in government, government guaranteed and municipal bonds; 26.7 per cent in mortgages; 19.2 per cent in policy loans; 9.1 per cent in public utility and corporation bonds. Of the first mortgages held, 88 per cent are on urban properties and 13 per cent in farm properties. Average interest earned during the year was 5.38 per cent as compared with 5.7 per cent in 1932.

Investment reserve at $300,000 is lower by $800,000 for the reason stated above, while total surplus funds are lower by $400,000 at $5,600,000. This includes allotted funds, no figure being given for free surplus.

Comparative figures follow:

Business in 1933

	1933 $	1932 $
New ins. issued	24,245,253	26,053,045
Bus. in force	188,634,019	193,052,844
Income and Disbursements		
Prem. income	6,367,791	6,399,133
Interest, etc.	2,444,974	2,505,695
Policy payments:		
Death claims	1,238,971	1,272,630
Policyholders	4,757,953	4,562,261
Aver. int. earned ..	5.38%	5.70%
Surplus earnings ..	1,805,799	1,752,616
Assets and Liabilities		
Net ledger assets ..	45,154,135	45,530,665
Total assets	46,758,032	47,298,633
Gov't. & mun. bonds	14,833,183	13,222,855
Other bonds & pref. stocks	5,448,468	6,624,227
Mortgages	11,709,660	12,471,608
Policy loans	8,649,733	8,475,111
Policy reserves	38,318,930	37,903,560
Invest. res.	300,000	1,100,000
Surplus funds*	5,600,055	6,035,328

*Includes free and allotted surplus.

Insurance Inklings

HARRY W. O'NEILL has been appointed manager of the Winnipeg office of the Travelers Fire Insurance Co., of Hartford, Conn. Mr. O'Neill has been associated with the Travelers since 1931 being formerly an examiner with a fire insurance company in Chicago, Ill.

ALEXANDER GILLEAN, for 50 years in the insurance business in London, died on January 16. Mr. Gillean represented the Standard Life Assurance Co. of Edinburgh and was lately associated with the Insurance Realty Corp.

Saskatchewan Life Insurance Co. branch managers held a five-day conference recently in Regina at which plans for 1934 were discussed.

Licenses Issued

Patriotic Assurance Co., Ltd., has received a certificate of registry authorizing it to write automobile insurance in addition to the classes for which it is already registered.

London and County Insurance Co. has received a certificate of registry authorizing it to transact automobile insurance in addition to the classes for which it is already registered.

United Pacific Casualty Insurance Co. has received a certificate of registry authorizing it to transact automobile insurance in British Columbia, excluding insurance against loss or damage to an automobile by fire or theft. H. R. Fullerton, Vancouver, has been appointed Canadian chief agent.

FREER SPENDING; MORE INSURANCE SEEN FOR FUTURE

Economist Thinks Retirement Income Plans Will Gain in Favor

That people in Canada and the United States will be forced in the future to turn to the annuity as a means of providing a retirement income because they will find it beyond their means to do it by any other method was the viewpoint expressed by Prof. William B. Bailey, economist of the Travelers Insurance Co. of Hartford, at the January meeting of the Life Underwriters' Association of Toronto, last week.

Mr. Bailey indicated that the past few years have brought out a different attitude toward the accumulation of wealth which should have a marked effect on life insurance. He expects to see more people put aside a reasonable sum with insurance companies for protection and retirement needs and less attempt to build up huge estates which will be subject to heavy inheritance taxes and so forth.

More Money to Spend

This new development would give men more freedom in spending money during their lifetime once their needs had been provided for.

"People are asking themselves: 'Why strain every effort in an endeavor to accumulate a lot of money, just to see it shrink before your eyes in time of depression or to have the Government take a large percentage of it in estate and inheritance taxes at the time of death? Why not enjoy life more fully as you go along and set aside merely enough to take care of your dependents and your own retirement years?'

"There is much to commend this trend of thought. After all, we go through life only once. We might as well enjoy each year to its full extent as we go along, rather than attempt to postpone our pleasures into years that may never come for us.

"If this attitude toward the accumulation of wealth continues to grow and spread, it should have a very marked effect on the selling of life insurance. It fits right in with life insurance.

A Wiser Programme

"The man who uses life insurance as his means of saving fulfills his obligations to his family and to his own future in a safe and satisfactory manner and yet has a larger percentage of his present income available for present-day needs and pleasures than the man who attempts to accomplish these same ends by accumulating his own individual investments.

"Years ago Henry Ford sold a lot of automobiles with the slogan: 'Buy a Ford and spend the difference.' It seems to me quite likely that a large volume of retirement income life insurance may be sold in the years that lie directly ahead by a somewhat similar slogan: 'Buy life insurance to provide for your family and your future—and spend the difference enjoying life today.'

Interest Rates Dropping

"It seems likely that it is going to be much more difficult to provide for your future on a straight investment basis. Interest rates are falling. Many distinguished economists expect this downward trend to continue for a long period of years.

"Barring the outbreak of another world war or another period of wild speculative enthusiasm, it does seem likely that interest rates should continue to drop here. A low rate of interest makes it imperative to save a larger sum of money to produce a comfortable income. For example, if your money can earn 6 per cent with safety and you want an income of $3,000 a year, $50,000 will produce it. If, however, your money can earn only 4 per cent, it would take $75,000 to produce a similar income. And, of course, if the prevailing interest rate is lower, sums of money at interest accumulate at a slower rate.

"For example, if you set out to accumulate $50,000 over a period of 30 years in order to produce an income of $3,000 a year and you could get 6 per cent on your money, an annual deposit of $596.50 compounded annually would do it. If, however, you had to accumulate $75,000 to provide $3,000 a year and it could earn only 4 per cent, $1,285.50 a year would be required.

"Under such circumstances it is easy to see why people turn to the annuity and the combination of life insurance and annuity in times of low interest rates to assure themselves a safe and comfortable income. The annuity requires a much smaller accumulation because it pays out both principal and interest in the form of income and yet it provides an income that cannot be outlived. If conditions develop along the lines they seem to be developing, people must turn to the annuity as a means of providing a retirement income because it will be beyond their means to do it by any other method."

Additional Insurance News, Page 16

STRONG STATEMENT BY ST. PAUL FIRE

Underwriting Profit Up Over $1,000,000 — Surplus Increased

Feature of the sixty-ninth annual statement of the St. Paul Fire and Marine Insurance Co. is the continuation of the policy of showing their security holdings at the actual market value at the end of the year. Approximately $1,366,000 is written off as depreciation in market values and loss on shares from 1932 but an addition of $84,818 is still made to surplus.

Operating results were considerably better than in 1932 although the volume of business at $10,977,100 in 1933 was $546,000 less than in the previous year. A net profit on underwriting of $1,487,000 was shown as compared with $328,000 in 1932.

Total assets are lower by $500,000 owing to the decline in value of security holdings, this being balanced by a decrease in the amount reserved for unearned premiums. It is stated in the report that the net surplus of $10,847,000 is retained after writing off over $8,000,000 in security values during the past six years.

P. A. Codere, Winnipeg, is the company's chief agent in Canada.

DAD'S JOB

A father's duty is not ended when, through life insurance, he has provided a capital sum for his family in the event of his death.

He should ensure its wise administration, so that the maximum income will be available during the children's dependent years.

The SUN LIFE FAMILY INCOME plan was created for this express purpose. It will guarantee:

An immediate income when it is needed.
The continuance of it while necessary.
The cessation of it when it is no longer required.

AND A capital sum when the responsibilities and anxieties of bringing up the children are over.

Ask for the booklet A Guaranteed Family Income.

SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE — MONTREAL

THE MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE • TORONTO, CANADA

Established 1887

FINANCIAL STATEMENT FOR THE YEAR ENDING 31st DECEMBER, 1933

ASSETS

BONDS		
Government, Government Guaranteed and Municipal Bonds	$34,759,345.82	
School and Rural Telephone Bonds	2,284,359.74	
Public Utility and other bonds	13,265,788.61	
		$ 50,309,494.17
PREFERRED AND COMMON STOCKS		
Preferred Stocks	$ 812,739.30	
Common Stocks	1,429,067.83	
		2,241,807.13
FIRST MORTGAGES ON REAL ESTATE		
City Properties	$22,518,017.45	
Farm Properties	8,506,117.98	
		31,024,135.43
LOANS ON THE COMPANY'S POLICIES		
Loans made to policyholders on the security of their policies in accordance with the provisions of the Company's policy contracts		22,780,279.82
HEAD OFFICE PROPERTY, OTHER REAL ESTATE AND SALE AGREEMENTS		
Head Office Property	$ 1,025,000.00	
Other Real Estate	2,018,233.37	
Sale Agreements	808,582.07	
		3,851,815.44
SUNDRY ASSETS		9,840.95
CASH ON HAND AND IN BANKS		3,256,945.16
TOTAL LEDGER ASSETS		$113,474,318.10
OTHER ASSETS		
Due and accrued interest	$ 2,649,457.11	
Deferred and outstanding premiums	3,315,770.80	
Due from other companies on policies reinsured	20,396.30	
		5,985,624.21
		$119,459,942.31

LIABILITIES

POLICY AND ANNUITY RESERVES		
The actuarial liabilities of the Company in respect to its policy and annuity contracts		$101,938,998.00
DEATH AND DISABILITY CLAIMS AWAITING PROOF		
Claims of which the Company has received notification but for which the necessary documents are not yet complete		894,340.79
PROVISION FOR UNREPORTED DEATH AND DISABILITY CLAIMS		
A reserve fund for death and disability claims which may have occurred during the current year but notification of which has not been received by the Company		225,000.00
OTHER LIABILITIES TO POLICYHOLDERS		
Policy proceeds and dividends left on deposit with the Company by policyholders and beneficiaries and miscellaneous credits to policyholders' accounts such as premiums paid in advance, accrued interest on funds left on deposit, etc.		4,196,587.42
STAFF PENSION FUND		
The accrued liability of the Company in respect to the pension scheme to which the Company and its employees jointly contribute		654,604.23
GOVERNMENT TAXES ACCRUED		
Provision for Federal, Provincial and State taxes payable in 1934		300,000.00
SUNDRY LIABILITIES		
Accrued rents, salaries, commissions, agency balances, etc.		286,833.44
SHAREHOLDERS' FUND		
Fully-paid capital stock of $1,500,000 plus balance standing to the credit of the shareholders' account		2,262,542.77
SPECIAL RESERVES AND SURPLUS		
Contingency Reserve	$ 825,000.00	
Reserve for Dividends to Policyholders	5,012,300.00	
Surplus	2,863,735.66	
		8,701,035.66
		$119,459,942.31

J. H. LITHGOW,
General Manager and Actuary.

AUDITORS' CERTIFICATE

We have audited the accounts of the Company for the year ending 31st December, 1933. We have verified the Cash and Bank Balances and the Securities (valued within the requirements of the Dominion Government) and have accepted the certificate of the Company's Actuary for the policy reserves and liabilities to policyholders, subject to which we certify that in our opinion the foregoing Cash Account and Balance Sheet exhibit a true and correct view of the Company's affairs at 31st December, 1933.

H. D. LOCKHART GORDON, F.C.A.
R. J. DILWORTH, F.C.A.
of Clarkson, Gordon, Dilworth, Guilfoyle & Nash,
Chartered Accountants.

TORONTO, 16th JANUARY, 1934.

INSURANCE IN FORCE - $504,680,804.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE — AUTOMOBILE — WINDSTORM

Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00

Agents required in Ontario

Write Eastern Branch, 2 Toronto St., Toronto, Ont.

THE WAWANESA MUTUAL INSURANCE CO.

Head Office—Wawanesa, Man.

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters

FRANK E. HAND, Supreme Chief Ranger

HEAD OFFICE: TORONTO, CAN.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

SEATTLE WASHINGTON

BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax

HEAD OFFICE FOR CANADA HAMILTON ONTARIO

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70

ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

MANUFACTURERS NEW BUSINESS IS $54,000,000

Assets and Income Higher and Surplus Maintained in 1933

Increases in assets and income during 1933 and small increases in contingency and surplus funds after making provision for depreciation of securities, is reported by Manufacturers Life Insurance Co. in its 47th annual report. The company reports that policyholder dividends in 1934 will be continued on the same scale as in 1933.

New business issued by the company totalled $53,947,000 a decline of 13.7 per cent from the corresponding figure of the previous year. Total business in force at the end of the year was 4.2 per cent less than in 1932 and amounted to $504,681,000.

Half of Business in Canada

J. H. Lithgow, general manager of the company reported that out of total business in force the company had 49 per cent of its business in Canada; 41 per cent outside Canada and 10 per cent in reinsurance from other companies. The only change in that respect as compared with 1932 was a decrease of one per cent in volume of reinsurance and an increase of a like amount in business outside Canada. One-third of the decline in business in force during the year occurred in the reinsurance account according to Mr. Lithgow.

New business issued in 1933 was divided as follows: 44 per cent in Canada; 52 per cent outside Canada and four per cent reinsurance. The major part of the decrease in new business took place in the first half of the year, new business in the last six months being substantially better in relation to production in the corresponding period of last year. Annuity business showed a material increase for the year, annuity premiums received being $1,100,000 or an increase of over 100 per cent as compared with 1932.

Surrenders Higher

Of payments to policyholders, the largest item was in respect of surrendered policies which amounted to $9,500,000 or $700,000 more than a year ago. Dividend distributions to policyholders were on the same basis as is 1932 and totalled over $2,500,000. Death claims were less at $4,420,000.

The total of policy and automatic premium loans was $22,750,000 or a reduction from last year's figures of over $900,000, this being the first reduction in this account since 1929. Cash repayments of policy and automatic premium loan indebtedness were over eight per cent greater this year than last, while the demand for new policy loans was $1,500,000 less during 1933 than in the previous year. "Although the substantial decrease during the year is due to a degree to loans cancelled on surrender," said Mr. Lithgow, "it is indicative of improvement in the circumstances of many of our policyholders."

During the year assets increased to $119,500,000 after provision for depreciation. New investments were confined to government, government guaranteed and high-grade municipal bonds, the amount now invested in this class of security being $35,000,000 or 70 per cent of the total bond account. The security accounts are shown at a value more than $500,000 below those authorized by the Dominion and Provincial departments of insurance. The balance of the bond account consists of public utility and other bonds, the total now standing at $50,000,000 or approximately 40 per cent of the total assets. Preferred and common stocks constitute 1.9 per cent of the company's assets.

First mortgages now amount to $31,000,000 or 25 per cent of assets. Of this amount $22,500,000 is invested in city properties, on which outstanding interest amounts to approximately one per cent of the principal invested. Farm mortgages aggregate $8,500,000 or seven per cent of assets.

Policy and annuity reserves stand at $102,000,000. These reserves are approximately $2,000,000 greater than the minimum reserves required by the Dominion Insurance Act.

Special reserves and surplus now total $8,700,000. Of this amount $5,012,300 is a reserve for dividends to policyholders and includes an amount, $2,400,000, which will be paid on participating policies in 1934. After making provision for the reserves for dividends to policyholders of $5,012,300 and increasing the contingency reserve to $825,000 the surplus of the company amounts to $2,863,735, an increase of $14,160 over the surplus figure for last year.

Comparative figures follow:

Business in 1933	$	$
New Ins. Issued ...	53,946,847	62,445,855
Bus. in Force	504,680,804	526,253,121
Income and Disbursements		
Net Prem. Income .	20,412,930	21,020,388
Interest & Rents ..	5,746,050	5,976,857
Total Income	28,610,796	28,324,285
Policy Payments:		
Death Claims ...	4,420,625	4,907,697
Living P'holders	14,602,286	13,381,045
Assets and Liabilities		
Ledger Assets	113,474,318	111,214,749
Total Assets	119,459,942	117,786,626
Bonds	50,309,494	47,028,024
Mortgages	31,024,135	32,960,503
Policy Loans	22,780,280	23,688,281
Policy Reserves ...	101,938,998	101,281,842
Res. & Surplus ...	8,701,036	9,132,101
Contin. Res. ...	825,000	750,000
Free Surplus	2,863,736	2,849,575

OIL SCHEDULE HURTS INDEPENDENT COS.

Latter Claim Move to Put Them Out of Business

From Our Own Correspondent

REGINA.—The smaller western oil refineries, generally known as "the independents" claim that back of a new freight rate schedule to be submitted by both Canadian railways to the railway commissioners is a move to put them out of business.

The new schedule is to be based on specific gravity. This, they claim, hits them in a vital spot and they intend to fight. The basis of the independents' fight is that the rates proposed by the railways is playing into the hands of the "American gasoline combine."

According to these claims the large Canadian companies ship in a crude product from southwestern U. S. fields which is 39.9 A.P.I. gravity and under the new freight schedule their rate would be 47½ cents per hundredweight. From this grade of crude the independents claim the larger companies produce 60 per cent gasoline and 40 per cent by-products.

On their side of the picture the independents say the crude they import, which is 40 degrees and upward A.P.I., and from which only 50 per cent gasoline can be distilled, will be assessed a freight rate of 68½ cents per hundredweight.

The 68½ cent rate which the independents say they will have to pay would affect Winnipeg, Regina and Moose Jaw. The present rate to those cities is 47½ cents. Under the new schedule Edmonton would pay 97½ cents against the present rate of 70½ cents per hundredweight. Calgary rates would be 94½ cents against 68 cents. The Prince Albert rate would jump from 59 to 83½ cents, Saskatoon, 54½ to 77½ cents and Swift Current 52½ to 76½ cents.

The schedule which has apparently been discarded while under consideration was based on re-shipment of 65 per cent of the imported crude after distillation. Under this schedule approximately 21 cents per hundredweight would have been added to the present 47½ cents rate to Winnipeg, Regina, and Moose Jaw.

Northern Life Show Increases In New Report

A good increase in paid for business; highest surplus earnings in the company's history and a gain in surplus and investment reserves are reported by the Northern Life Assurance Co. in a preliminary statement issued last week. The company's complete annual report will be available at the annual meeting on Feb. 12.

New business paid for was $4,786,000 an increase of six per cent. Business in force, however, is down by eight per cent to $45,033,000. Assets are higher and the company's holdings of bonds and stocks are shown this year at authorized values. Last year book values were used with a deduction to bring them into line with allowed values. A new investment reserve of $144,280 has been set up on the liabilities side of the ledger while free surplus is up from $57,572 to $116,000.

The company reports expense ratio at the lowest point in its history.

Comparative figures follow:

	1933 $	1932 $
New ins. paid for† ..	4,785,940	4,574,061
Bus. in force	45,032,889	48,854,242
Total assets	9,000,735	8,820,622
Mortgages	2,986,974	3,039,207
Policy loans	1,803,499	1,690,263
Bonds*	3,009,646	2,925,421
Policy reserves	7,891,023	7,809,099
Inv. reserve	114,280	......
Surplus	116,146	57,572

*At authorized values in 1933; book values in 1932

†Including revivals and increases.

MORE BUSINESS WRITTEN IN 1933 BY CROWN LIFE

Many Increases Shown in Annual Statement — Assets Up

Gains in most departments are reported by Crown Life Insurance Co. in its 1933 report presented at the annual meeting this week. The company is one of the few to show an increase in new business during 1933, the volume of issued insurance in that year being $25,691,000 or an increase of over ten per cent. Total business in force at the end of the year is higher by $1,600,000 at $138,822,000.

Income for the year also shows an increase, the sharpest gain being in single premiums received which totalled $249,000 in 1933 compared with $64,000 the previous year. First year premium income is also higher as is the amount received from interest and rents.

Assets up $1,000,000

Total assets are shown at $18,893,000 a gain of $1,000,000 over last year. Holdings of government and municipal bonds which are shown at authorized values account almost entirely for this increase although mortgage holdings are also higher. Free surplus is up $150,000 to $543,575.

Comparative figures follow:

Business in 1933	1933 $	1932 $
New ins. issued	25,691,247	23,000,859
Bus. in force	138,821,915	137,180,619
Income and Disbursements		
Total income	5,400,978	5,021,402
Policy payments:		
Death claims	891,150	759,879
Policyholders	2,102,738	1,735,250
Assets and Liabilities		
Total assets	18,893,082	17,892,631
Mortgages	7,745,442	7,468,777
Gov't. & mun. bonds	4,347,067	3,593,495
Policy loans	3,365,412	3,461,840
Policy reserves	17,081,587	16,474,651
Free surplus	543,575	383,024

BELDING PROFITS COVER CHARGES OVER PAST YEAR

Reduced Charges and Lower Dividend Enable Firm to Show Surplus

From Our Own Correspondent

MONTREAL.—Marked improvement in operation and sales during the last half of the year enabled Belding-Corticelli Ltd., manufacturers of silk threads and silk products, to make a relatively satisfactory financial showing in the fiscal year ended November 30, 1933.

Net earnings from all sources amounted to $276,335, a drop of only $29,000 from the previous year. After all charges the company was able to show a surplus of $5,105 compared with a deficit of $9,053 in the previous year. The change from a deficit to a surplus is due to a lower depreciation charge; reduction in the common stock dividend from $7 to $4 a share; and the elimination of an item of $14,701 for sinking fund. The latter charge was not debited against the income account in the past year as sinking fund payments are in excess of requirements:

Particulars of the income account in the past three years follow:

	1932-33 $	1931-32 $	1930-31 $
Net earn.	‡276,335	305,363	267,342
Deduct: Depr.	138,699	146,609	141,658
Bond int. ..	36,980	36,980	36,980
Sink. fund ..	......	14,791	14,791
*Reserves ..	5,000	3,000	......
Net profit ...	95,656	103,981	73,912
Pfd. div. ...	60,571	60,571	60,571
Comm. div. ..	29,980	52,465	52,465
Surplus	5,105	†9,053	†39,122
Prev.surp. ...	470,487	479,540	518,663
Bal. c. f.	475,592	470,487	479,541

*For special advertising:

‡Including $25,719, interest on, and profit from sale of investments.

†Deficit.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets ..	1,031,545	1,057,593	1,112,633
Curr. liabs. ...	202,200	220,103	235,110
N. W. capital	829,345	837,490	877,523

Funded Debt Lower

There is practically no change in the value of assets as at November 30 last. Current liabilities are somewhat lower, while depreciation and sinking fund reserves have increased from $1,647,458 to $1,711,373. Other reserves are down slightly at $53,837.

Funded debt has been reduced from $137,046 to $101,811. In addition the trustee holds for the sinking fund $9,903 to be used for the purchase of bonds.

Capital stock remains unchanged.

Among the current assets, the principal change is an increase in investments, at not more than market value, from $207,104 to $420,747. Deferred charges at $36,363 have doubled during the year.

Fixed assets have increased in value from $2,575,591 to $2,581,793. Goodwill remains unchanged at $500,000.

Prospects Are Better

In his report to the shareholders A. O. Dawson, president, had the following to say in part:

"The business of the company for the first half of the fiscal year revealed a heavy shrinkage in both volume and profit. Fortunately there was a marked revival in trade conditions during the last six months, resulting in the full year showing a net profit of $95,656 after providing for bond interest, depreciation and advertising reserve.

"The prospects for the year 1934 are encouraging inasmuch as inventories everywhere are exceptionally low, and buyers, because of the improved business outlook, are disposed to purchase more freely than would otherwise be the case."

New Books

Canadian Almanac, 1934

The Canadian Almanac in its 87th year of publication has suddenly expanded its size by about 50 per cent. Most of the expansion, it would seem, is due to the use of a better quality paper and a firmer binding but there are some new features added to this well established and very valuable annual Canadian reference volume.

New features which have been included by the editors are a list of practising chartered accountants and a list of customs brokers; a description of Canadian nationals, British subjects and aliens; and some articles on every day legal points.

In addition, the useful data formerly supplied, such as the handy reference to the customs and excise tariff, directories of lawyers, government officials, banks, newspapers, educational institutions, etc., are carried on.

The Canadian Almanac is edited by Arnold W. Thomas and Horace C. Corner. It is published by the Copp Clark Company, Toronto, and sells at $6., which is inclusive of postage.

"Reconstruction"

In "Reconstruction" Harold Macmillan, a member of the British House of Parliament, outlines his view of the new national policy that is needed in Great Britain. Mr. Macmillan is one of the important younger men in the Conservative party in England. A careful study of his book would reward any intelligent citizen even if it were only through the revelation it gives of the lines along which the younger politicians of the world are thinking today.

Mr. Macmillan's approach to his problem is exactly that of many of the younger men in public life in Canada. He feels that the radical and the revolutionary must be headed off but he is not satisfied to meet their challenge with a plea for a return of the good old days and a resurrection of laissez faire. His solution is a system of state economic planning and in this volume he presents the principles of economic planning that he thinks would be suitable for a British country where the people certainly would not accept a loss of personal liberty that is characteristic of Communism in Russia and Fascism in Italy. In brief, his system calls for the establishment of monopolies in different fields directed by a national economic council. He apparently envisions a reasonable compromise between the rival claims of Individualist and Collectivist conceptions of society, a compromise which, in his own words, might enable the nobler aspects of each to be retained.

The preface is interesting. Mr. millan apparently has anticipated the possible reply that revival in Great Britain has become such a certainty that the case for a national plan is rapidly disappearing. On this point, he asks if Britain is not in greater danger from recovery than from depression. He thinks that if another depression is to be avoided a planned economy is essential.

"Reconstruction: A Plea for a National policy" by Harold Macmillan, M.P., is published by the Macmillan Co. of Canada, Toronto, at $1.25.

The author, who is a partner of the publishing house of Messrs. Macmillan & Co., is well known in Canada. He was in Ottawa during the governorship of the Duke of Devonshire as aide at Rideau Hall. He married one of the daughters of the governor-general.

"The Planning of Agriculture"

Today Great Britain is developing a plan for its agricultural economy. Whether the plan will prove to have any permanence or not, remains to be seen. It is being developed in a time of world-wide agricultural crisis and immediately on the heels of a change in fiscal policy in Great Britain. Designed to give Britain a greater measure of self sufficiency in the production of foods, and also to improve the economic status of the British agriculturists, it has the advantage that whatever increase it effects in the price level is largely disguised by the exceedingly low prices prevailing. In another day when prices are higher and Britain is competing more keenly in world markets with its industrial products, the plan may run into greater problems.

Viscount Astor and Dr. Keith Murray have made a study of agricultural planning in Great Britain and offer their ideas as to the steps that should be taken in "The Planning of Agriculture." This volume provides an invaluable guide to the state reorganization of agriculture and the economic philosophy behind it in Great Britain. While it is mainly a study of the British problem, the volume has been written against the background of the problems of world agriculture which Viscount Astor and Dr. Murray understand so well.

"The planning of Agriculture" is published by the Oxford University Press, Toronto, at $1.75.

Dividend Record of 1933 Shows Cross Currents

More Dividends Were Dropped or Reduced Than Increased or Initiated But Optimistic Trend Was Growing

When one considers the dividend history of 1933 and the first week of 1934 he sees the tide of dividend reductions and stoppages still continuing while another current, smaller in volume but more hopeful of dividend resumptions, initial payments, increases and extras has begun to grow.

There were during 1933 and the first week of 1934 eight dividend increases, 12 dividend resumptions, 22 initial or interim dividends, 37 extra dividends, six payments on arrears, 64 reductions in dividend rate and 50 dividends passed or deferred. That is, there were 85 dividend decisions on the hopeful side and 114 decisions that lessened income of shareholders.

The following list will show in some cases that companies which dropped dividends at one stage of the year resumed them at another as business conditions improved:

DIVIDEND RATE INCREASED

Company	Annual Rate	Month
Grey & Bruce Trust	2% to 4%	June
Howe Sound	40c to $1	Oct.
Intercolonial Coal, c.	50c to $1	Jan.
Inter. Petroleum	$1 to $1.12	June
Montreal Trams.	$8 to $9	Oct.
Pioneer Gold (B.C.)	24c to 60c	July
Wright Hargreaves	10c to 20c	Apr.
1934		
Goodyear Tire, c.	$2.40 to $4	Jan.

DIVIDENDS RESUMED

Company	Rate	Month
Ford Motor	$1	Dec.
Niagara Wire Weav., p.	75c.	June
Standard Steel, pfd	75c	Oct.
Tip Top Tailors, pfd.	$1.75	July
Whittall Can, pfd.	$1.62½	July
1934		
Assoc. Breweries, c.	25c	Jan.
Brewers & Distillers	10c	Jan.
Bruck Silk Mills	25c	Jan.
Can. Cottons, c.	$1	Jan.
Can. Wirebound Box	37½c	Jan.
Cons. Smelters	$1.50	Jan.
Can. Dredge, c.	50c	Feb.

INITIAL OR INTERIM

Company	Rate	Month
Bright, T. G., c.	10c	Dec.
Do., pref.	$2.25	Dec.
Bulolo Gold Dredg.	60c	Dec.
Champlain Oil, pref.	15c	Nov.
Coniagas Mines	12½c	Jan.
Crow's Nest Coal	50c	Dec.
Can. For. invest., c.	25c.	Dec.
Fanny Farmer, c.	25c	Jan.
Goderich Elevator, c.	25c	July
Goldfield Cons.	5c	Aug.
International Coal, c.	2c	Feb.
Merland Oil	1c	Sept.
Midld. & Pac. Grain, c.	50c	Mar.
Noranda Mines	50c	July
" "	$1	Dec.
Petrol Oil & Gas	1c	June
Spooner Oils	3c	Jan.
Sterling Pac. Oil	2½c	Dec.
Toronto Elevators, c.	$1	Jan.
" "	$1	Dec.
1934		
Biltmore Hat, c	50c	Jan.
Coniagas Mines	12½c	Jan.
Mercury Oils	4c	Jan.
United Gold Equities	5c	Jan.

EXTRA DIVIDENDS

Cons. Smelters, 10% stk., Mar.
Dome Mines, 10c, Jan.; 20c, Apr.; 25c, July; 25c, Oct.
Hollinger Mines, 5c, May; 5c, Sept.; 5c, Nov.; 5c, Dec.
Guarantee of N. Amer., $2.50, Jan; $2.50, Apr.; $2.50, Oct.
Inter. Proprietaries, 5c, Mar; 5c, Sept.
Lake Shore Mines, 50c, June; 50c, Dec.
McIntyre Mines, 12½c, Mar.; 25c, June; 25c, Sept.; 25c, Dec.
Montreal C. & D. Bank, $1, Jan.; $1, July.
Montreal Loan & Mtge., 25c, Mar.
Siscoe Mines, 2c, Dec.
Sylvanite Mines, .00½, June; 2½c, Sept.
United Bond & Sh., 7c, Oct.
Wright Hargreaves, 5c, Jan.; 5c, Oct.

1934	Rate	Month
Can. Canners, 2nd pfd.	10c	Jan.
Can. Industries	87½c	Jan.
Can. Northern Pr., c.	10c	Jan.
Dominion Fire	1%	Jan.
Sylvanite Mines	2½c	Jan.
Wright Hargreaves	5c	Jan.
Dome Mines	25c	Feb.
Guarantee of N. Amer.	$2.50	Jan.

PAYMENT OF ARREARS

Company	Rate	Month
Canada Packers, pfd.	$3.50	Oct.
Can. Celanese, pfd.	$1	June
Do.	$1.50	Dec.
Invstmt. Fndatn., pfd.	13c	Oct.
1934		
Canada Packers, pfd.	$1.75	Jan.
Invstmt. Fndatn., pfd.	12c	Jan.

DIVIDEND RATE REDUCED

Company	Annual Rate	Month
Ajax Oil & Gas	12c to 8c	Apr.
Bank of Montreal	$10 to $8	June
Bank of Nova Scotia	$14 to $12	July
Belding-Corticelli, c.	$7 to $4	May
Bell Telephone	$7 to $6	Apr.
Borden Co.	$2 to $1.60	Mar.
Brit. Mtge. Trust	$12 to $10	July
Brockville Trust	$3.50 to $2.50	Mar.
Burt, F. N., c.	$2.40 to $2	Apr.
Capital Trust	$5 to $4	Mar.
Central Can. Loan	$10 to $8	Apr.
Canada Bread, 1st pfd.	$7 to $4	Apr.
Canada Bud Brew.	$1 to 60c	Oct.
Canada Dry	$1.20 to $1	Jan.
Can. Perm. Mtge.	$12 to $10	Apr.
Can. Bank of Commerce	$10 to $8	June
Canadian Bronze, c.	$1.25 to 60c	May
Can. Canners, 2nd. pfd.	40c. to 20c	Apr.
Can. Gen. Electric, c.	$4 to $3	July
Can. Gen. Invest.	40c to 30c	July
Can. Indemnity	$6 to $5	Jan.
Can. Inv. Funds (Spec. sh.)	5c to 4c initl.	Aug.
Canadian Oil, c.	$1 to 50c	Feb.
Dominion Textile, c.	$5 to $4	Apr.
Economic Inv. Tr.	75c to 37½c	Oct.
Ensign Insurance	$6 to $5	July
Goderich Elevator	70c to 50c	Jan.
Goodyear Tire, c.	$5 to $2.40	Apr.
Gurd, Chas., c.	$1 to 60c	Jan.
Halifax Fire Insur.	$1.20 to 90c	Jan.
Hunt's "A" & "B"	$1 to 50c	Apr.
Huron & Erie Mtge.	$7 to $6	Oct.
Industrial Mtge.	$4 to $2.50	July
Intercolonial Coal, c.	$2 to $1	July
Lambton Loan	$4 to $2.50	July
Landed Bkg. & Loan	$8 to $6	Apr.
MacKinnon Steel, pfd.	$7 to $3.50	Feb.
Maritime Tel. & Tel., c.	80c to 60c	Apr.
Midland Loan & Sav.	$1 to 90c	July
Montreal Trams.	$10 to $9	Jan.
Do.	$9 to $8	July
National Trust	$10 to $8	July
N. B. Telephone	60c to 50c	Jan.
N. S. Light & Pr., c.	$4 to $3	July
Provincial Bank	$7 to $6	June
Quebec Power	$1.50 to $1	Feb.
Real Estate Loan	$7 to $5	July
Royal Bank	$10 to $8	June
Russell Motor, pfd.	$7 to $4	May
Saskatchewan Life	60c to 50c	Jan.
Silverwood's, pfd.	$7 to $4	Apr.
Southern Can. Pr., c.	$1 to 80c	Nov.
Steel of Canada, c.	$1.75 to $1.20	May
Sterling Trusts	$4 to $2	June
Toronto Gen. Trusts	$10 to $8	Apr.
Do.	$8 to $6	Oct.
Trusts & Guarantee	$5 to $3	Jan.
United Grain Growers	$1.25 to $1	Sept.
Waterloo Trust	$7 to $6	Jan.
West'n. Can. Flour, pfd.	$6.50 to $3	May
1934		
B. C. Power (A)	$2 to $1.50	Jan.
Can. Perm. Mtge.	$10 to $8	Jan.
Lambton Loan	$2.50 to $2	Jan.
Waterloo Trust	$6 to $4	Jan.

DIVIDENDS PASSED OR DEFERRED IN 1933

Company	Month
Acme Farmers Dairy, pref.	Aug.
Anglo-Norwegian Hold., pref.	June
Assoc. Breweries, com.	Mar.
Chartered Trust	Apr.
Chase, A. W., pref.	Feb.
Cons. Sand & Gravel, pref.	Feb.
Crescent Creamery, pref.	July
Canada Bread, 1st pref.	Oct.
Canada Wire & Cable, pref.	Mar.
Can. Pacific Railway, pref.	Apr.
Can. Western Natural Gas, c.	July
Can. Wirebound Box "A"	Jan.
Disher Steel, "A" pref.	Feb.
Dominion Foundries, pref.	Mar.
Dufferin Paving, 2nd pref.	Jan.
Eastern Dairies, pref.	Apr.
Eastern Steel, com.	Jan.
Gordon & Belyea, pref.	Apr.
Gt. Lakes Power, pref.	June
Greening, B. Wire, pref.	Jan.
Gurd, Chas., com.	Apr.
Holt Renfrew, pref.	Apr.
Home Invest. & Savings	Jan.
Inter. Utilities, ($1.75 pfd.)	Oct.
Lindsay, C. W., pref.	June
London & Western Trusts	Apr.
Mackay Co., pref.	Jan.
MacKinnon Steel, pref.	May
Monarch Mtge. & Invest. pref.	Jan.
Montreal Cottons, com.	Mar.
Muirheads, com.	May
National Grocers, pref.	Oct.
National Sewer Pipe, c.	Mar.
National Steel Car	Apr.
Russell Motor, c.	Feb.
Sherwin Williams, pref.	Mar.
Societé de Prets & P. ord.	Jan.
Standard Clay, c.	Feb.
Standard Paving, pref.	Mar.
Standard Steel, pref.	Apr.
Thayers, 1st pref.	Jan.
Tip Top Tailors, pref. (omitted)	Apr.
Toronto Dairies, pref.	Mar.
Union Trust	Jan.
United Amusement "A" & "B"	Mar.
Vancouver Ice, pref.	Jan.
Viau Biscuit, 1st pref.	Jan.
1934	
Canada Bud	Jan.
Canadian Car, pref.	Jan.
North Star Oil, pref.	Jan.
Standard Steel, pref.	Jan.

SEA FISHERIES MORE PROFITABLE BUT CATCH LOWER

Chief Gains Made in British Columbia Waters

Catch from Canada's sea fisheries increased in value but declined in volume in the 11 months ended November 30, 1933, when compared with the corresponding period of the preceding year. Value of catch was up to $11,190,600, according to preliminary estimates from $10,589,235 in the 1932 period, an increase of $601,000. Weight of catch was down to 6,722,755 cwt. from 6,736,650 cwt.

Gain in both value and weight of the catch was shown in the latter half of 1933. The gain in landed value, however, was largely due to the large increase in British Columbia, which offset losses in the Maritimes. In New Brunswick and Nova Scotia there were gains in the volume of the catch and decreases elsewhere.

The landed value total, by provinces, for the 11 months ended Nov. 30, 1933, with the increase or decrease from the total for the corresponding period of 1932 is as follows:

	Landed Value		Change
British Columbia	$ 5,319,165	+	$1,164,388
Nova Scotia	3,146,375	—	400,080
New Brunswick	1,449,475	+	88,346
Quebec	807,165	—	18,632
Pr. Ed. Island...	468,410	—	232,668
	$11,190,590	+	$ 601,355

Canada's sea fisheries operations in November produced larger returns, both in size of catch and in the landed value of the catch to the fishermen, than in November, 1932. Catch increased by about 361,780 cwt. and landed value by $140,000.

Main factor in bringing about the gain was a great increase in British Columbia's herring landings which were more than four times as large as they had been in November, 1932. On the landed value side of the account the gain was also made in British Columbia, with increase in salmon and herring figures the big entries. In the Atlantic coast region there were decreases both in catch and value.

Taking the sea fisheries provinces together—British Columbia, Quebec, Prince Edward Island, New Brunswick, and Nova Scotia—the catch for the month was 694,400 cwt. with a landed value of a little more than $498,000, as against 332,600 cwt. and $358,300 in November, 1932. For British Columbia the figures were 551,600 cwt. and $289,600, which meant gains of over 378,500 cwt. and more than $183,650, while for the Atlantic provinces the total catch was 142,800 cwt. and the value of the fish to the fishermen was $208,600, or a decrease of 16,700 cwt. in landings and a drop of something less than $43,700 on the money side. All of the figures are taken from the records of the Dominion Department of Fisheries and those for the 1933 month are given subject to revision.

ANDERSON HEADS LIFE UNDERWRITERS

Officers Elected at Annual Meet of Canadian Body

At the annual meeting of the Life Underwriters Association of Canada held on January 19, the following were elected officers of the association for the coming year:

President—A. D. Anderson, C.L.U., Aetna Life, Toronto.

Vice-president—G. Raymond Smith, C.L.U., Great-West Life, Halifax.

Provincial Vice-presidents

British Columbia — J. J. Kenny, C.L.U., Crown Life, Vancouver.

Alberta — George Lomas, C.L.U., Canada Life, Lethbridge.

Saskatchewan — A. H. Westhaver, North American Life, Regina.

Manitoba—E. F. Elsey, C.L.U., Imperial Life, Winnipeg.

Quebec—A. Provost, Manufacturers Life, Quebec City.

New Brunswick — N. C. Ralston, C.L.U., Sun Life of Canada, Saint John.

Nova Scotia—R. H. Oland, C.L.U., North American Life, Halifax.

Prince Edward Is.—B. H. Hughes, C.L.U., Manufacturers Life, Charlottetown.

Other Officers

Chairman, board of directors — George H. Dawson, C.L.U., Mutual of Canada, Hamilton.

Honorary secretary — F. C. Hoy, C.L.U., Canada Life, Toronto.

Honorary treasurer—H. C. Henderson, C.L.U., North American Life, Toronto.

Registrar of chartered life underwriters—E. N. Jory, C.L.U., Great-West Life, Toronto.

Chairman, active board of the institute of Chartered Life Underwriters —J. M. Tory, C.L.U., Sun Life, Toronto.

Chairman, membership committee —A. L. Wright, C.L.U., Sun Life, Toronto.

Chairman, publicity committee—G. A. German, C.L.U., Crown Life, Toronto.

Additional members of the board of directors were elected as follows: H. P. Douglas, C.L.U., Prudential Ins., Montreal; Victor Smeaton, C.L.U., London Life, Guelph; W. H. Hutchinson, C.L.U., Manufacturers Life, London; B. Vise, C.L.U., Imperial Life, Toronto; D. W. Morphy, C.L.U., Canada Life, Ottawa; F. M. Hannam, C.L.U., London Life, Toronto.

Alberta Wins Prizes

In the past eleven years the Province of Alberta has won 2,390 prizes in all classes of agricultural products at the Chicago International and the Royal Winter Fair at Toronto, (including, also, the World's Grain Exhibition and Conference at Regina last summer), and has taken 135 championships.

U. S. MONETARY POLICY LEADS BACK TO GOLD

(Continued from page 11)

approximate equality with the chief countries of the British group.

There have even been authentic reports, entirely unofficial, that an agreement has been reached between the two countries whereby they will co-operate to keep the dollar-pound rate in the neighborhood of $5. It is stated that the negotiations were carried on outside regular governmental channels, so that official Washington denials on the subject are correct. The agreement is said to be only temporary and if American prices do not rise, the British will probably seek a lower dollar-pound level for permanent stabilization in order to protect their trade. At present, due to dollar depreciation, the U. S. is enjoying a trade advantage.

Back to Gold Standard

The measure starts the U. S. back on the path to a gold standard, even though the standard is to be bullion and the people will not be allowed to possess monetary gold. It also recognizes the importance of a world-wide agreement creating a uniform monetary policy, and that standards must be international for purposes of settling trade balances between nations, and especially to aid exporters and importers to carry on commerce in their daily transactions.

Canada is more intimately related to the U. S. economically than to any other country and should closely follow the gold policy of the U. S. It is indeed fortunate that this matter is to be studied carefully during the coming session of parliament.

Fur Auction Successful

At the first fur auction of the season conducted by the Prince Edward Island Fur Auction Sales Co. at Summerside, the demand for pelts was keen and the top price paid for a selected silver fox pelt was $130. Buyers were present from the United States, Great Britain and Europe.

St. Paul Fire and Marine Insurance Company

ST. PAUL, MINN.

F. R. BIGELOW, *President*

C. F. CODERE, *Vice President* — J. C. McKOWN, *Secretary*
O. J. KRUGER, *Treasurer* — C. A. DOSDALL, *Secretary*
C. H. KNOCHE, *Assistant Secretary* — M. D. PRICE, *Assistant Secretary*
L. W. KING, *Assistant Secretary* — H. T. DRAKE, JR., *Assistant Secretary*

SIXTY-NINTH ANNUAL STATEMENT

As made to Directors and Stockholders December 31, 1933

ASSETS		LIABILITIES	
Bonds (at Market Value Dec. 31st)	$15,552,159.42	Reserve for Unearned Premiums	$9,061,532.76
Stocks (at Market Value Dec. 31st)	4,570,624.38	Unadjusted Losses	1,782,370.76
Home Office and Other Real Estate	1,247,003.54	Reserve for Taxes	495,000.00
Mortgage Loans	1,972,014.62	Reserve for Unpaid Bills, etc.	122,415.13
Cash and Bank Deposits	1,410,382.15	Special Reserve	316,918.08
Agents' Balances	1,725,279.42	Reserve for Adjustment Expense	80,000.00
Due from Re-insurance Co.'s Notes, etc.	286,800.21	Funds held under Re-insurance Treaties	211,523.74
Accrued Interest	237,449.87	Capital Stock . $ 4,000,000.00	
		Net Surplus . 10,931,953.14	14,931,953.14
	$27,001,713.61		$27,001,713.61

This statement shows condition based on market values, December 31, 1933. The stocks of Insurance Companies owned by "St. Paul" are carried at book value, based on market valuations.

Underwriting and Investment Statement

Interest on Investments	$1,234,067.36	Reserve for Income Tax	$235,000.00
Underwriting—Net Profit	1,486,891.71	Dividends Paid	960,000.00
		Depreciation in Market Values and Loss on Sales	1,366,140.94
		Added to Conflagration Reserve	75,000.00
		Increase in Surplus	84,818.13
	$2,720,959.07		$2,720,959.07

The underwriting experience is satisfactory for the eighth successive year. The above surplus is retained after charging off over $8,880,000.00 in security values during last six years.

Comparison With Last Year

	1932	1933		
Net premiums Written	$11,523,461.30	$10,977,091.67	Decrease	$546,369.63
Unearned Premiums	9,892,118.33	9,061,532.76	Decrease	830,585.57
Assets	27,500,819.38	27,001,713.61	Decrease	499,105.77
Capital Stock and Surplus	14,847,135.01	14,931,953.14	Increase	84,818.13

P. A. CODERE, Chief Agent for Canada, 402 Paris Building, WINNIPEG, MAN.

GEO. A. SHERRITT, *Superintendent of Agencies*
J. D. LOGAN, *Asst. Superintendent of Agencies*
36 Toronto Street, TORONTO, ONT.

The Financial Post

Survey of Corporate Securities 1933

Every Investor in Canada Needs This Book

This book covers over 1,300 corporations whose securities are in the hands of the public, including those listed on Canadian Stock and Curb Exchanges and some unlisted securities.

The Financial Post Survey of Corporate Securities gives you:

- History of each company's organization and development;
- Names of all officers and directors;
- Balance sheet and income and surplus account for 3 years;
- Price range of stock for past 4 years;
- Dividend rate, when and where payable;
- Capital structure and funded debt;
- Funds in which bond interest is payable.

Securities Reviewed:

Public Utility Securities
Banking Securities
Rubber Securities
Iron and Steel Securities
Construction Securities
Pulp and Paper Securities
Textile Securities
Real Estate Securities
Oil Refining Securities
Beverage Securities
Investment Trusts
Milling Securities
Foodstuffs Securities
Merchandising Securities
Transportation Securities
Miscellaneous Securities

280 Pages Strongly Bound Size—9" x 12"

$2.00

Check Your Investments Now

At the present time bonds and stocks of well-managed, long-established industries are selling at comparatively low prices and, if held for a reasonable period, should materially appreciate in value. Now is the time for the investor to investigate such securities. The Financial Post Survey of Corporate Securities makes possible the selection of these attractive investments. It will help investors decide on the wisdom of Trades from time to time suggested.

As the sales for this 1933 edition have been much heavier than anticipated, we urge you to send in your order immediately to avoid disappointment.

SEND IN YOUR ORDER NOW. USE THIS COUPON.

THE FINANCIAL POST,
481 University Avenue,
Toronto, Canada.

Please send me postpaid .... copies of The Financial Post Survey of Corporate Securities, 1933, at $2 per copy. Enclosed is $.......... in payment.

Name ....

Address 423

Management, Markets, Money Will Decide Control of Price Bros.

English, Canadian and American Interests Put Forward Final Offers for One of Dominion's Largest Lumber and Newsprint Enterprises

By JOHN LANGDON

MONTREAL.—Two groups are now openly competing for control of the potentially valuable properties of the bankrupt Price Bros. and Co., one of the largest lumber operators and pulp and paper manufacturers in the Dominion.

One group is headed by Bowater's Paper Mills Ltd., principal newsprint manufacturer in the British Isles. Eric Bowater is the dominating figure in this syndicate. In addition, however, there are about 15 Canadians with a junior interest. Among the latter are John Stadler, identified with many Canadian pulp and paper properties; R. O. Sweezey, forestry engineer and long associated with newsprint properties and promoter of Beauharnois; Harry Oakes, of Lake Shore gold mine fame; V. M. Drury and D. I. MacLeod, investment bankers; and others.

The opposition group comprises Lord Rothermere, a power in the English newspaper field; Lord Beaverbrook, Canadian-born, company promoter and controller of the London Daily Express; and the Duke-Price Power Co. controlled by Aluminum Co. of Canada.

Committee Accepted One Plan

Late last summer negotiations were carried on actively and the Bondholders Protective Committee of Price Bros. and Co. accepted the proposal sponsored by Bowater's Paper Mills Ltd. A supplementary offer was then submitted to the trustee, Hon. Gordon Scott, for consideration of the creditors and capital stockholders. This was turned down, the trustee saying that he expected another and more favorable offer from a second group.

Last week the expected second plan was put forward by the English newspaper owners, Lord Rothermere and Lord Beaverbrook, and the Duke-Price Power Co. A few days later it was followed by a complete and final offer from the Bowater group.

Favor Bowater Proposal

Following these developments the Bondholders Protective Committee reassembled to consider the two proposals. The committee were unanimously of the opinion that the consummation of the Bowater proposal was in the best interests of the bondholders and announced that it would be submitted to the depositors for final approval. This proposal to the committee, it is pointed out, involves solely the mortgaged assets and is independent of the offer made by Bowater to the Trustee-in-Bankruptcy.

Will Call Meeting

The plan submitted by the Duke-Price Power Co. is still in the running. It is understood that the Hon. Gordon Scott will call a meeting of the creditors, preferred and common shareholders to consider it. This meeting, allowing for legal delays, will likely take place toward the end of next month.

Auction Sale Possible

In the event the creditors and stockholders do not approve of the Bowater proposals, and that the bondholders agree to it, the affairs of Price Bros and Co. will become highly involved.

It will then be incumbent upon the committee to carry through the Bowater proposal. This means a foreclosure and putting the property up for public auction. The committee, having deposits of over 75 per cent of the outstanding bonds, is in an especially strong position to buy in the mortgaged assets.

Those in opposition to the Bowater plan would be free to bid in the property, but the amount of capital required would be considerably greater than involved under either of the reorganization plans as at present proposed.

Differences Are Slight

In an adjoining panel is a concise summary of the proposals submitted by the two groups. Upon examination it will be seen that they do not radically differ in essentials.

The bondholders are well protected whichever plan is finally accepted.

Both proposals assume the same amount of new money will be required. In each case there is no doubt of the ability of the sponsor to put up the necessary capital.

Distribution of Stock

The principal differences are seen in the treatment of the stockholders and the underwriters. Under the Bowater plan the shareholders do not get as large a percentage of free stock as in the case of the Duke-Price plan. In the event of subscribing to the new capital, the preferred shareholders fare better under the Bowater plan.

If the old common shareholders subscribe in full for the new bonds, the Duke-Price plan offers more. In this connection it is worth while pointing out that Lord Beaverbrook is said to be one of the largest common stockholders in Price Bros. and Co., owning some 60,000 shares so that his share might properly be credited to the underwriters' interest.

Cost of Underwriting

The Bowater group are asking less for the responsibility of underwriting the new capital — approximately 30 per cent of the common shares as against 35 per cent for the Duke-Price proposal. At the same time the Bowater interests will put up $2,000,000 of new capital, irrespective of what the stockholders do, so that their proportion of the equity is naturally larger than in the case of Duke-Price, whose plan provides that the stockholders have the right to subscribe for all of the new capital.

Question of Best Interests

With the plans differing so slightly in major items, the committee for the bondholders and others concerned in the future control of Price Bros., have been mainly concerned with which group is likely to offer the most in the way of re-establishing the company on a permanent and prosperous basis.

Three Keys to Problem

In considering the situation three factors stand out — management, ability to market the company's output of newsprint, and money. The latter does not seriously enter into the calculations as both parties are financially responsible and quite capable of securing all the capital needed.

Matter of Management

In considering which group is likely to provide the best management for the reorganized company, it is necessary to regard the interests of those sponsoring the proposals and the reasons why they are willing to devote time and money to the rebuilding of Price Bros. and Co.

R. O. Sweezey and his associates early became interested in the possibilities of securing control of the property. After investigation Sweezey formed a syndicate to undertake the necessary underwriting. At the last moment one of the more important members of the group withdrew. This made it necessary to secure other financial backing.

Bowater's Enter Picture

Meantime Bowater's Paper Mills were concerned with securing an additional source of pulp to supply their English newsprint mills. Heretofore the English manufacturer has been dependent upon Scandinavian sources for his supply of raw materials for newsprint manufacture. The possibility of securing "a second string to the bow" by acquiring a pulp plant in Canada was considered and John Stadler, who made his reputation in the pulp and paper business with Biermans, of the old Belgo-Canadian enterprise, was commissioned to investigate the Chandler property in Quebec.

In going about this work, Stadler came into contact with R. O. Sweezey who was familiar with the Chandler property. Sweezey disclosed the bigger possibilities of Price Bros. and Co., with the result that Bowater's Paper Mill, headed by Eric Bowater, became actively and financially interested in the Sweezey group. In time Bowater assumed a major interest in the syndicate.

Background of Bowater's

The Bowater interests are well-known in England. They operate three companies—Bowater's Paper Mills is an operating company and at the same time controls W. V. Bowater and Sons and Bowater's Mersey Paper Mills. The first company owns newsprint mills near London on the River Thames, while Bowater's Mersey mills are situated between Manchester and Liverpool. W. V. Bowater and Sons act as selling agents for the mills.

The securities of the group are listed on the London Stock Exchange — the bonds and preferred shares selling at a premium, while the common stock of Bowater's Paper Mills is at a premium of 50 per cent. Interest on the bonds is paid regularly, as well as the fixed dividend on the preferred. The company has earned and paid a dividend of 7½ per cent on its common shares for each of the last five years.

Duke-Price Syndicate

So much for the Bowater group. The Duke-Price syndicate is composed of more varied interests.

Lord Rothermere has a substantial stake in the Anglo-Newfoundland Development Co. and the Anglo-Canadian Pulp and Paper Mills. The latter concern, in which Lord Rothermere has a heavy financial stake either directly or indirectly, operates a 500-ton newsprint plant just outside of the Quebec City limits. The plant is of modern design, having been built only a few years ago, but is not regarded as being well situated as to timber supplies. Given a better source of pulpwood, the position of Anglo-Canadian could be strengthened, according to reports.

Beaverbrook and Newsprint

Lord Beaverbrook has been one of Price Bros.' principal customers for newsprint. His success, as an English newspaper publisher, has been due to his ability to buy newsprint "right." It is a well-known fact that in the publishing of a large metropolitan newspaper, the cost of newsprint paper is by far the most important item. Cheap newsprint is a requisite of a successful publishing business. Beaverbrook, therefore, is interested in securing an assured supply of low cost newsprint.

Wants Power Contract

Duke-Price Power Co.'s principal concern is that whoever gets control will live up to the old contract under which Price Bros. contracted for 100,000 h.p. of electrical energy every year for which the vendor was paid $890,000 in American funds. It does not need to be emphasized how difficult it would be for Duke-Price to replace a market which for a number of years past has taken such a large block of power.

Reasons For Interest

In summing up the Bowater group are manufacturers of newsprint, interested in securing an additional source of pulp supply and, at the same time, willing to take on a speculation which, with their knowledge of the newsprint business, offers attractive possibilities for capital gain.

The Duke-Price group's interests are threefold: Lord Rothermere's reported desire for better pulpwood supplies; Lord Beaverbrook's interest in an adequate supply of low cost newsprint; and the Duke-Price Power Co.'s concern in holding its power contract.

Ability to Market Paper

Having these interests in mind, consideration then turns to the ability of the respective groups to market Price Bros.' newsprint. Without this ability the company cannot hope for success.

Proponents of the Bowater proposal point to the fact that Bowater's English mills have been running to capacity. The company has sales offices in Europe, South Africa, Australasia and India. Sales of Price Bros.' newsprint, outside of Canada and the United States, would be handled through W. V. Bowater and Sons. Price Bros. would have its own selling agency on this continent. Bowater's sales ability is highly regarded and it is said that being concerned only with the production and sale of newsprint, this group could offer more to Price Bros. than the Duke-Price syndicate.

Opponents of the Bowater proposal say that Bowater will be interested in first keeping his English mills operating at capacity and that Price Bros. will be a secondary consideration.

Face Sales Problem

It is pointed out that under the N. R. A. newsprint code and the Canadian manufacturers' agreement, it is not possible to go into the American market and cut prices in order to secure new business. For the time being, therefore, sales efforts in the United States will be limited, so that additional business will have to come from other countries.

English Newsprint Situation

Those favoring the Duke-Price Power proposal claim that with the American market limited, then Price Bros. and Co. would benefit from association with Lord Rothermere and Lord Beaverbrook, who between them account for a major share of the total English consumption of newsprint.

In answer to the statement that Beaverbrook did not renew his 40,000-ton contract with Price Bros., which expired at the end of 1934, and was now securing this paper from Bowater's and Consolidated Paper, proponents admit that for 1934 no additional business is in sight for Price Bros., but in 1935 Beaverbrook will be in a position to place tonnage with the company.

Rothermere Needs Supplied

It is also said that the Rothermere group of papers are a potential source of newsprint orders for Price Bros., but others say little is to be expected from that source. Rothermere's company, Associated Newspapers (controlling some of the principal English papers) is tied up with a 25-year contract with Anglo-Newfoundland Development Co. The latter company, it is stated, is operating at about half of capacity.

Other paper in the Rothermere group, notably the Daily Mirror, secure their supply of newsprint from certain English mills and Anglo-Canadian Pulp and Paper Mills. The latter company also has contracted to supply a large quantity of paper to the Hearst newspapers in the United States.

Beaverbrook Offers Prospects

It is apparent that Beaverbrook represents the best prospect for additional newsprint orders for Price Bros., but such business will not be available until 1935. Even then it is by no means certain that the available business would come to Price Bros., as Beaverbrook would undoubtedly be influenced by the price he will have to pay and there will be more than one company anxious to secure his tonnage.

Though the Duke-Price Power Co. have valuable associated interests in the United States it is unlikely that any business will originate from that source. Duke-Price's position in the negotiations is rather complicated by the latest move of the Bowater group. In its own plan, Duke-Price does not give any particulars as to the power contract. It is assumed, however, that Duke-Price will want Price Bros. to carry on with the old contract.

The Bowater proposal provides for a new contract on the same terms as the old one, with two exceptions. First that payment be made in Canadian funds, and, secondly, Price Bros. pay a minimum power bill of $480,000 a year. The difference between that sum and that called for under the old contract is to be paid in notes secured by satisfactory collateral. In the event that operations permit the payment of the full amount under the contract, Duke-Price would receive full payment.

Decision by March

Consequent upon the offer of the Duke-Price Power group and the final plan put forward by the Bowater interests, it is now expected that negotiations will be speeded up and a final decision made before the end of March as to which group will secure control of the property.

Trustee of $50,000,000 Pulp and Paper Property

—Caricature by Cecil.

HON. GORDON W. SCOTT

Receiver and trustee for the bankrupt Price Bros. & Co., control of which is now sought by two groups—one headed by Eric Bowater, of Bowater's Paper Mills Ltd., and the other by a syndicate comprising Lord Rothermere, Lord Beaverbrook and the Duke-Price Power Co.

What They Offer for Control

Salient Features of Plans for Reorganization of Price Bros. and Co.

Capitalization

	Bowater	Duke-Price
6 Per Cent First Mortgage Bonds	$12,388,992 (1)	$12,388,992 (1)
Second Mortgage Bonds (2)	5,000,000	5,000,000
Income Certificates (4)	1,500,000	1,500,000
6 Per Cent Preferred Stock (3)	62,843 shs.	62,843 shs.
Common Stock, no par value	505,526 shs.	244,000 shs.

(1) 12 per cent arrears of interest capitalized; (2) Bowater bonds to pay 6 per cent out of income —Duke-Price's bonds to pay 7 per cent as a fixed charge; (3) par value under Bowater plan $50 with dividend of $3 a share—par value of $40 under Duke-Price plan and dividend of $2.40; (4) carry interest of 5 per cent under Bowater plan and 4 per cent under Duke-Price plan.

Treatment of Security Holders and Creditors

	BOWATER	DUKE-PRICE
Bondholders	Full security.	Full security.
Creditors	$250,000 in cash and 5 per cent income certificates to make a total of 75 per cent of claims.	$250,000 in cash or 4 per cent income certificates up to 75 per cent of claims.
Preferred Shareholders	Share for share of new 6 per cent preferred par value $50 plus 1 share of new common for each share held.	Share for share of new 6 per cent preferred par value $40 plus 3/5 of 1 share of new common for each share preferred held.
Common Shareholders	One new share for each 10 old shares held.	One new share for each 10 old shares held.

Comparative Characteristics of New Securities

	BOWATER	DUKE-PRICE
First Mortgage Bonds	All rights retained; maturity in 1950.	All rights retained; maturity in 1953.
Second Mortgages	Pay interest out of income only; failure to pay cannot result in foreclosure.	Interest payments are a fixed charge; unless earned another bankruptcy might result.
Income Certificates of Indebtedness	5 per cent payable if earned; sinking fund of 20 per cent of earnings; mature in 20 years.	4 per cent payable if earned; sinking fund 10 per cent of earnings; no maturity date.
Preferred Shares	Dividend payable only if earned and if earned must be paid.	Dividend payable only if earned and if unpaid; cumulative to extent earned.

Proposed Distribution of Common Stock Under Two Plans

	BOWATER Shares	BOWATER Per Cent	DUKE-PRICE Shares	DUKE-PRICE Per Cent
New Money*	250,000	49.45	80,000	32.79
Old Preferred	62,843	12.43	37,706	15.45
Old Common	42,683	8.44	42,683	17.49
Underwriters	150,000	29.68	83,611	34.27
Total	505,526	100.00	244,000	100.00

*Bonus stock with new second mortgage bonds.

Distribution of Common Stock Equity in Event of Shareholders Subscribing in Full to New Capital

	BOWATER Shares	BOWATER Per Cent	DUKE-PRICE Shares	DUKE-PRICE Per Cent
Old Preferred	125,686	24.90	47,760	19.80
Old Common	128,049	25.50	110,976	44.60
Underwriters	251,791	49.60	85,264	35.60

Much Confusion Evident Over New Cattle Rates

Rebates on Freight Rates for Export Cattle Compared With Old Rates — Western Rates Definitely New, Eastern Made Permanent

From Our Own Correspondent

OTTAWA.—Transportation experts of the Federal department of agriculture report that there is widespread confusion as to the nature and extent of the recent reduction in freight rates on export cattle.

The reduction amounts to 25 per cent in western Canada and 50 per cent in eastern Canada and it is being said that the western reduction has been in operation for many years, on a more generous plan, while in the east the cut in export rates is by no means new.

Western Rate New

So far as western Canada is concerned, the reduction is new. It differs from three other forms of freight rate assistance given to cattlemen. The point to bear in mind is that this is a cut on the export movement of cattle. The actual reduction is given on the freight rate from point of purchase (which must not be the large livestock markets) to the feed lot.

Other western freight cuts have been as follows:

A 25 per cent rebate was given on the rate from livestock markets to the purchaser's farm in the case of scrub cattle unfit for killing. This has nothing to do with the export movement. Then there was a 50 per cent rebate, last summer, on cattle moved from grasshopper infested areas to other areas where feed was available. This rebate was put into force to clear grasshopper areas of surplus stock and has now accomplished that purpose.

Other Rate Rebates

The third rebate was 25 per cent of the freight rate on cattle moved westward from districts close to grasshopper areas. This rebate was similar to the second one and has accomplished its purpose. None of the three applied to the export movement and, therefore, the new rebate is a distinct departure in freight rate policy.

In eastern Canada there is a 50 per cent cut in rates from the feed lot to the ocean port. It is true that a somewhat similar policy was in force in 1931-32, but it was temporary whereas the present one is permanent. Moreover the old rate cut applied only to Montreal while the present cut applies to Halifax and St. John. Finally the old rate was withdrawn in 1932, leaving the export rates at the former maxima.

MEMBERS NAMED OF NEWFOUNDLAND GOVERNING GROUP

Three Newfoundlanders, Three British Appointed

Personnel of the commission that will aid the governor in the administration of the affairs of Newfoundland, recently announced, follows the lines of the recommendation made by the Amulree Commission, following their investigation of conditions on the island, in that it is composed of three Newfoundlanders and three British representatives.

Those representing Newfoundland are: Premier F. C. Alderdice, William R. Howley, K.C., and John C. Puddester. The British representatives are: Sir John Hope Simpson; Thomas Lodge and E. N. R. Trentham.

Sketch of Members

Hon. Mr. Alderdice combined the duties of prime minister and minister of finance in the last Government. Mr. Puddester was secretary of state in the Alderdice Government and is managing director of the St. John's Daily News and Free Press. Mr. Howley has been prominent in Newfoundland public life for over 30 years being elected to represent St. George's district in 1900.

Sir John Simpson has had considerable administrative experience. From 1914 to 1916 he was acting chief commissioner of the Andaman and Nicobar Islands. In 1924 he was appointed chairman of the Indian Colonies Commission. At different times he has taken part in relief projects, from 1926 to 1930 as vice-president of the Refuge Settlement Commission at Athens and in 1931 and 1932 as director-general of the National Flood Relief Commission in China. He is a former Liberal member of the House of Commons.

Shipping Expert

Thomas Lodge is chairman of Danube Oil Company and member for the United Kingdom Board of British Phosphate Commissioners. He has had extensive experience in the shipping business. At various times he has been secretary to the Merchant Shipping Advisory Committee, assistant secretary to the International Conference on Safety of Life at Sea, shipping representative at the Paris peace conference, and principal clerk of the Board of Trade.

Mr. Trentham is a treasury official who has been in Newfoundland for some time studying the financial situation there. He was deputy minister of finance in the Alderdice Government.

Turner Valley Oil Deliveries

Naphtha and oil delivered to the larger Calgary refineries during the past year totalled 739,089 barrels, valued at approximately $2,365,084, compared with 693,394 barrels in 1932, an increase of 45,695 barrels. Total deliveries in the history of Turner Valley as a naphtha-producing field from the beginning of 1925 to the end of 1933 were 6,111,376 barrels, valued approximately at $19,556,303.

JANUARY 2ND, 1934

WE TAKE PLEASURE IN ANNOUNCING THE ADMISSION TO PARTNERSHIP OF

MR. GEORGE S. ATKINS, JR.

FOR OVER FOURTEEN YEARS A MEMBER OF THIS ORGANIZATION

WATT & WATT

Established 1906

MEMBERS:
TORONTO STOCK EXCHANGE
STANDARD STOCK & MINING EXCHANGE
WINNIPEG GRAIN EXCHANGE
CHICAGO BOARD OF TRADE
NEW YORK CURB (ASSOCIATE)

6 JORDAN STREET - TORONTO

T. G. E. WATT, E. H. WATT, F. G. VENABLES, R. W. WILSON, W. L. CHRISTIE, G. S. ATKINS, JR.

Crown Life Gains At Every Point in 1933

Assets	
First Mortgages on Real Estate	41%
Government and Municipal Bonds	23%
Public Utility and Industrial Bonds	5%
Preferred and Common Stocks	2%
Loans on Company's Policies	18%
Home Office and Other Real Estate	3%
Cash and Other Assets	8%
	100%

Interest Rate 5.81%

Insurance Issued Increased to
$25,691,247.00

Insurance-in-Force Increased to
$138,821,915.00

Cash Income Increased to
$5,400,978.24

Policy Payments Increased to
$2,993,887.20

Assets Increased to
$18,893,081.76

Capital & Dividend Funds Increased to
$1,133,107.45

CROWN LIFE INSURANCE COMPANY

Rt. Hon. Sir Robert L. Borden, *President*
H. R. Stephenson, *General Manager*

Special Reports

on Canadian Corporations and Corporate Financing

¶ The Financial Post Corporation Service is in a position to offer superior service in making special statistical studies in the field of Canadian corporation finance and investment and in the compilation of specific reports on allied subjects.

¶ Here is an example; we have just completed a detailed report for an important company on the various types and methods of reorganization adopted by Canadian companies in the past fifteen years.

¶ One client wrote following receipt of a report he requested: "The information you supplied was just what we wanted. Thanks for your prompt attention to our inquiry."

¶ Twenty-five years of complete records on thousands of Canadian companies and on every type of industry, trade and business subject, are back of The Financial Post Corporation Service. These records, together with a specialized staff, assure that you receive comprehensive reports. The fees, based on the time occupied in the preparation of the report, are moderate.

¶ Write us giving particulars of the important business data, special reports, corporation histories, etc., that you seek. We will at once advise if we can serve you.

Special Investigation Department

The Financial Post Corporation Service

481 University Ave., Toronto

HIGHER FOOD COST ADDS TO BUDGET OF WORKING MAN

Increase General Across Dominion at Dec. 1

Due to increased food costs, the cost of living in almost all Canadian cities rose in December over the previous month, according to a monthly compilation prepared by the Dominion Department of Labor for The Financial Post. In a few cities food costs were lower at the beginning of November but the weekly food budget of a workingman with a family of five increased between 10 and 30 cents in most places.

A complete budget for food, fuel and rent, on a comparative basis, is compiled for nine representative cities. Costs in each of these cities were higher than at November 1, the increases ranging from 35 cents in the case of Moncton to only three cents in Montreal. Weekly budget figures for these cities follow:

Living Costs in Representative Cities

	December 1 Food	Fuel	Rent	Total	Nov. 1 Total
Moncton	7.78	2.04	6.25	16.07	15.72
Montreal	7.19	2.68	6.00	15.87	15.84
Ottawa	7.34	3.07	6.25	16.66	16.48
Toronto	7.66	2.47	6.25	16.38	16.24
Hamilton	7.55	2.31	6.25	16.11	15.93
London	7.16	2.85	6.00	16.01	15.69
Windsor	7.20	2.35	5.50	15.05	14.93
Winnipeg	7.10	3.05	6.50	16.65	16.56
Vancouver	7.96	2.10	4.88	14.94	14.77

St. Hyacinthe Costs Low

Food and rent costs only, on a comparative basis, are prepared for the 57 leading cities of the Dominion. On the basis of these figures, St. Hyacinthe and Amherst rank as the cheapest cities in the Dominion in which to live. Living costs reach their peak in Halifax, curiously enough in close proximity to Amherst the second cheapest city on this basis.

Food and rent costs in 57 cities, and the change in the food budget from November 1, are shown in the following table:

Food and Rent Costs for Leading Cities As at Dec. 1

	—Food—†		Rent*	Total
Dominion	7.57	+10	5.37	12.94
Nova Scotia:				
Sydney	7.64	+10	4.88	12.52
N. Glasgow	7.29	+16	5.25	12.54
Amherst	7.05	+16	5.50	12.55
Halifax	7.74	+15	7.25	14.99
Prince Edward Island:				
Charlottetown	7.21	−2	5.75	12.96
New Brunswick:				
Moncton	7.78	+35	6.25	14.03
Saint John	7.80	+13	6.00	13.80
Fredericton	8.00	+11	6.25	14.25
Quebec:				
Quebec	7.41	+25	6.25	13.66
Three Rivers	6.83	+30	5.13	11.96
Sherbrooke	6.88	+21	5.75	12.63
St. Hyacinthe	6.49	+2	4.75	11.24
St. Johns	6.38	+21	5.38	11.76
Montreal	7.19	+3	6.00	13.19
Hull	7.18	+8	5.00	12.18
Ontario:				
Ottawa	7.34	+10	6.25	13.59
Kingston	7.17	+8	5.13	12.30
Belleville	7.32	+3	5.00	12.32
Peterborough	7.13	+16	5.50	12.63
Oshawa	7.30	+12	5.00	12.30
Orillia	7.09	+5	6.00	13.09
Toronto	7.66	+16	6.25	13.91
Niagara Falls	7.34	−15	5.63	12.97
St. Catharines	7.16	+3	5.75	12.91
Hamilton	7.55	+10	6.25	13.80
Brantford	7.60	+6	5.75	13.35
Galt	7.59	+5	5.75	13.34
Guelph	7.35	+11	5.75	13.10
Kitchener	7.08	+5	6.00	13.08
Woodstock	6.97	+7	5.75	12.72
Stratford	7.21	+18	5.50	12.71
London	7.16	+26	6.00	13.16
St. Thomas	7.21	+14	5.50	12.71
Chatham	7.07	+17	5.75	12.82
Windsor	7.20	+12	5.50	12.70
Sarnia	7.49	+11	6.75	14.24
Owen Sound	7.03	+10	5.25	12.28
North Bay	7.60	+19	[illegible]	[illegible]
Sudbury	7.73	+12	6.25	13.98
Cobalt	7.57	+20	5.00	12.57
Sault Ste. Marie	7.66	+18	4.63	12.29
Port Arthur	7.49	+4	6.00	13.49
Ft. William	7.46	+10	6.00	13.46
Manitoba:				
Winnipeg	7.10	+9	6.50	13.60
Brandon	[illegible]	[illegible]	[illegible]	11.96
Saskatchewan:				
Regina	6.97	+7	6.88	13.85
Prince Albert	6.97	+36	5.63	12.60
Saskatoon	6.95	+17	6.25	13.20
Moose Jaw	7.17	+10	6.25	13.42
Alberta:				
Medicine Hat	7.14	−14	5.63	12.77
Edmonton	7.24	+6	6.00	13.24
Calgary	7.13	+8	5.63	12.76
Lethbridge	6.96	+21	5.25	12.21
British Columbia:				
Fernie	8.00	+6	4.25	12.25
N. Westmr.	7.83	+2	4.38	12.21
Vancouver	7.96	+16	4.88	12.84
Victoria	8.20	+13	4.88	13.08
Nanaimo	8.19	+6	5.63	13.82

*Workingmen's six-roomed houses with modern conveniences.
†Second column denotes change in food prices as between Dec. 1 and Nov. 1.

FINANCIAL PRINTING

As PUBLISHERS AND PRINTERS of The Financial Post, we have necessarily made a very careful study of the printing needs of financial houses.

This has resulted in our building up an unusual service, through which we can confidently offer not only intelligent advice as to the proper format of the various types of financial printing, but also inestimable help in the preparation and handling of such printing.

Perhaps you have an Annual Report, Prospectus or Circular under consideration at the present time, in the preparation and printing of which you could use our service to advantage.

Telephone or write the Direct Advertising and Printing Division and a fully qualified representative will be at your service, ready to offer every co-operation.

THE MACLEAN PUBLISHING CO., LTD.
TORONTO
481 University Avenue ADelaide 9131

10 STOCKS FOR 1934

What 10 stocks stand out as promising beneficiaries of further expected recovery? Learn THE FINANCIAL WORLD'S answer by taking advantage of this

BIG VALUE

Send only $2 for the next 12 issues of THE FINANCIAL WORLD; next 3 issues of monthly stock ratings and data book; 10 Promising Stocks for 1934"; "A Notable Stock Value"; "Scuttling 10,000,000 Utility Investors"; "How To Protect Your Capital Against Dollar Devaluation"; "300 Companies and Their Financial Connections" and personal advice on any 5 securities. Return this "ad" and $2 today for all the above aids to your investment success.

The FINANCIAL WORLD
53 F.P. Park Place New York

Your Questions Answered Without Charge

As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST,
481 University Ave.,
Toronto 2, Canada.
Please send me The Financial Post for the next year (52 issues). I enclose $5.00.
Name
Occupation
Address

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JANUARY 22

Range 1933-34 High	Low	Divd. Rate in $	Yield in % Jan. 20		Sales	Close Jan. 15 (or last)	Week Ending Jan. 22 High	Low	Close
				A					
4.00	.25	..	...	Abitibi	15540	1.40	1.95	1.25	1.95
10	1	.	...	Do. pref. 6%	1115	5	6½	4	6½
x80	80	.	...	Acme F. D'y p.	....	..	..	..	..
8	4	20c	...	Agnew Surp.	530	6	8	6	7
67	57½	7	11.8	Do. pref.	....	59½	..	..	..
10	2½	.	...	Alta. Pac. Gr.	....	3½	..	..	..
40	14½	.	...	Do. pref.	80	18	19	18	19
1	1	.	...	Amal. Electric	....	1	..	..	..
10	8	.	...	Do. pref.	....	10	..	..	..
x8½	8½	.	...	Anglo. N. Hold.	....	..	..	..	..
1.00	.15	.	...	Asbestos	....	1.00	..	..	..
2	½	.	...	Do. pref.	....	2	..	..	..
15	3½	25c	..	Assoc. Brew.	400	10½	10½	10	10
90½	65	7	7.7	Do. pref.	....	90½	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
155	127	10	7	Bk. Can. Nat.	39	143	143	142	142
221	150	8	4.2	Bk. Montreal	582	190	190½	188	190
285	228	12	4.4	Bk. N. Scotia	197	274	275	273	274
215	151	10	5.6	Bk. Toronto	21	180	186	180	185
17	10	.	...	Barcelona	....	15	..	..	..
8	1	.	...	Bathurst Pr.	130	5	5	4	4½
2	1	.	...	Do. (B)	40	1½	1½	1½	1½
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	6	.	...	Do. pref.	5	7	7	7	7
7	3	.	...	Beath & Sons	35	4	3½	3½	3½
15	3½	.	...	Beatty Bros. A	165	7½	8	7½	7½
72	53	6	8.7	Do. pref.	....	69	..	..	..
8½	3½	.	...	Beauharnois	9517	5	6½	5	6½
65	50	4	6.2	Belding Cort.	....	65	..	..	..
90	85½	7	7.9	Do. pref.	....	88½	..	..	..
120½	80	6	5.3	Bell Telephone	709	114	115	112	113½
9	3½	50c	...	Biltmore Hats	....	8	..	..	..
85	62	7	8.2	Do. pref.	5	76	85	85	85
4	2	.	...	Bissell, T. E.	....	2	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
6	1	.	...	Blue Ribbon	177	3	5	4½	5
27	10	2	7.7	Do. pref.	70	23½	27	26	26
23	18½	2	8.7	Brant. Cord. pf	35	23	23	23	23
19	7	.	...	Brazilian Tr.	13608	13½	13½	12½	13½
3.85	.55	10c	..	Brew. & Distil.	9155	2.80	2.85	2.60	2.65
12	½	.	...	Brewing Corp.	18386	9½	9½	8½	8½
23½	½	.	...	Do. pref.	7228	22½	22½	19½	21
12	10	10c	..	Bright, T. G., c	50	10	10	10	10
16	7½	80c	5.7	Brit. Amer. Oil	9316	13½	14	13½	14
8	1	.	...	B. C. Packers	1520	3½	3½	3½	3½
20	6	.	...	Do. pref.	100	11	12	11	11
28	14	1.50	6.1	B. C. Power A	972	25	25	24	24½
6½	3	.	...	Do. (B)	800	6½	5½	5½	5½
24	3	.	...	Bruck S. Mills	2945	18	19	18½	18½
21	10½	1	4.8	Building Prod.	1055	18	21	18½	20½
38½	20	2	6.8	Burt, F. N.	286	30	30	29	29½
				C					
x125	120	6	...	Calgary Pr.	....	..	..	..	..
9½	1½	.	...	Canada Bread	1526	5	5	4½	4½
75	30	.	...	Do. pref. A	....	50	..	..	..
31	8	.	...	Do. pref. B	51	12	14½	12	14½
18	5½	.	...	Canada Bud	2587	10	10½	9½	10
10½	2½	.	...	Canada Cement	15120	10	10	9	9½
50½	12	.	...	Do. pref.	1828	45½	50½	44	45½
b41½	7½	1	3.7	Canada Dry	7300	26½	27½	25½	26½
8	2	.	...	Can. Forg. (A)	....	4	..	..	..
x7½	2	.	...	Do. (B)	....	..	..	..	..
x15	15	.	...	Canada Iron	....	..	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
*425	405	20	4.9	Canada Life	....	405	..	..	..
40	13½	1.50	4.5	Can. Malting	3906	32½	33½	32	32½
19½	12	80+10c	4.7	Can. Nor. Pr.	2990	17	19½	17	18½
94	65	7	7.9	Do. pref.	29	88½	90	88½	90
.25	.05	.	...	Can. Paving	....	.10	..	..	..
10	4	.	...	Do. pref.	....	5½	..	..	..
165	118	8	6.6	Can. Perman.	64	119½	121	118	119½
3½	½	.	...	Can. Steamsh's	260	2½	2½	2	2½
9½	2	.	...	Do. pref.	300	4½	5	4½	4½
26	13½	1.60	6.8	Can. Vinegars	397	23	23½	23	23½
30	20	.	...	Can. W. Cable	25	21½	24	24	24
15	5½	.	...	Do. (B)	5	9	9	9	9
2½	2	.	...	Can. Bakeries	....	2½	..	..	..
12	5	.	...	Do. pref.	130	12	11	10½	10½
176	119	8	5.4	Can. Bk. Com.	565	148	150	146½	148½
25	9	60c	2.8	Can. Bronze	490	19	22	20	20½
98	70	7	7.2	Do. pref.	....	97	..	..	..
10½	2½	.	...	Can. Canners	175	7	7½	7½	7½
81	48	6	7.4	Do. 1st pfd.	50	81	81	81	81
14	3½	20+10c	3	Do. 2nd pfd.	595	9½	10	9½	9½
11½	3	.	...	Can. Car & F'y	1973	7½	8½	7½	7½
19½	9	.	...	Do. pref.	583	13½	14	13	13
28½	6½	.	...	Can. Celanese	1075	18½	19	16	18½
112	70	7	6.6	Do. pref.	55	106	106½	106	106½
35	8	2	5.7	Can. Convert.	90	30	35	30	35
49	15	4	9.7	Can. Cottons	....	41	..	..	..
80	45	6	7.5	Do. pref.	7	80	80	77	80
26½	10	1	3.9	Can. Dredge	1695	26	26½	23	25½
106½	85	7	...	Do. pref.	....	105	..	..	..
80	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
10	2	50c	5.6	Can. For. Inv.	....	9	..	..	..
80	35	8	10.5	Do. pref.	....	76	..	..	..
140	100	3	2.5	Can. Gen. Elec.	....	120	..	..	..
61	50	3.50	5.8	Do. pref.	250	61	61	60	60½
6½	4	.	...	Can. G. Inv. T.	....	6½	..	..	..
65	34	6	9.9	Can. Hyd. E. p	365	58	60½	58½	60
40	1½	.	...	Can. Ind. Alc.	38445	19	20½	18½	19½
39	.90	.	...	Do. (B)	6152	17½	19½	17½	18½
118	75½	3.50*	2.9	Can. Industries	....	118	..	..	..
125	125	7	5.6	Do. pref.	....	125	..	..	..
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
27	16½	1	3.7	Can. Lt. & Pr.	....	27	..	..	..

Range 1933-34 High	Low	Divd. Rate in $	Yield in % Jan. 20		Sales	Close Jan. 15 (or last)	Week Ending Jan. 22 High	Low	Close
102	70	6	8	Huron & E. M.	36	75	75	75	75
18	10½	.	...	Do. 20% pd.	....	10½	..	..	..
10	5½	.	...	Hydro-Electric	....	5½	..	..	..
				I					
185	123	10	6.2	Imperial Bank	12	162	165	157	160
16	7½	50c	3.8	Imperial Oil	14200	13½	13½	13	13½
11½	7	52½c	4.6	Imperial Tob.	1674	11½	11½	11	11½
18	17	.	...	Inter. City Bak.	....	17	..	..	..
5½	5½	1	...	Inter'c Coal	....	5½	..	..	..
b13½	2½	.	...	Int. Hyd. E. A.	12100	6½	6½	5½	6½
105	95	7	7.1	Inter. Mill. pf.	....	99	..	..	..
90	82	6	7.2	Do. Series A	32	85	84	84	84
23.25	8.00	.	...	Inter. Nickel	68477	22.60	22.95	22.40	22.85
x4	4	.	...	Inter. Paints	....	..	..	..	..
b10	½	.	...	Int. P. & P. A	4900	4½	5½	4½	4½
b5½	½	.	...	Do. (B)	4600	2½	2½	2	2½
b4	½	.	...	Do. (C)	7400	1½	2½	1½	1½
b22½	2	.	...	Do. pref.	7500	14½	15½	13	14½
22½	10½	1	4.6	Inter. Pete.	18376	20½	22	20½	21½
5	2	.	...	Inter. Power	10	3	2½	2	2
24	8	.	...	Do. pref.	142	14½	15	14	14
13½	3	.	...	Int. Util. (A)	275	4½	5	4½	5
4.12	.55	.	...	Do. (B)	4570	1.10	1.20	.95	1.10
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
98	70	7	7.2	Do. pref.	15	97	98	98	98
				K					
7½	½	.	...	Kelvinator	15	4½	4½	4½	4½
80	55	7	8.7	Do. pref.	2	78	80	80	80
				L					
18½	5	.	...	Lake of Woods	450	13	13½	12½	12½
70	30	.	...	Do. pref.	....	60	..	..	..
85	80	6	7.5	Landed Bank	....	80	..	..	..
25	25	.	...	Langley's pfd.	5	25	25	25	25
51	36	3	6	Laura Secord	215	48	50	48	49½
7	1½	.	...	Lindsay, C. W.	....	2½	..	..	..
36	25	.	...	Do. pref.	15	35	35	35	35
21½	10½	80c	5	Loblaw (A)	5491	15½	15½	15½	15½
21	10½	80c	5.3	Do. (B)	520	14½	15	14½	15
				M					
10	2	.	...	MacKin. Steel	....	10	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Manitoba Pr.	....	3½	..	..	..
10½	1½	.	...	Maple Leaf	1500	4½	5	4	4
25	5	.	...	Do. pref.	91	8½	10½	9	9
6	6	.	...	Marcus Loew's	....	6	..	..	..
65	35	.	...	Do. pref.	....	57½	..	..	..
12	2½	.	...	Massey-Harris	11405	6½	6½	6	6½
15	7	60c	5.3	McColl Fron.	3637	11½	11½	10½	11
82	54½	6	8	Do. pref.	137	75	75	74½	74½
27	5½	.	...	Melchers (A)	2520	13½	14½	13½	14
14	6	.	...	Do. (B)	1600	10	10	9½	10
†45	35	.	...	Mexican L & P	....	..	..	..	..
‡35	35	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
†40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
100	100	7	7	Do. pref.	10	100	100	100	100
17½	2	.	...	Mitchell, Robt.	130	8	8	7½	7½
3	3	.	...	Monarch Knit.	....	3	..	..	..
55	20	.	...	Do. pref.	334	49	55	50	55
28	16	.	...	Montreal Cot.	....	25	..	..	..
75	50	7	10	Do. pref.	40	67	70	70	70
½	½	.	...	Montreal Exhib	....	½	..	..	..
4	4	.	...	Mont. Is. Pr.	....	4	..	..	..
42½	26½	1.50	4	Mont. L. & Pr.	5777	37	38	36	36½
45	39	3+.25	7.2	Montreal Loan	....	45	..	..	..
54	39	3.20	6.4	Montreal Tele.	....	50	..	..	..
120	70	9	7.5	Montreal Tram	171	110	120	115	120
17½	4	.	...	Moore Corp.	415	13½	14½	13½	14½
107	65	7	6.9	Do. pref. A.	94	100	102	98	102
125	70	7	6.4	Do. pref. B.	2	112	110	110	110
4	½	.	...	Muirheads	....	2	..	..	..
7	5	.	...	Do. pref.	....	7	..	..	..
				N					
29½	14½	1.60	6.3	Nat. Breweries	3278	24½	25½	24½	25½
32	27	1.75	5.5	Do. pref.	30	32	32	32	32
100	85	2.61a	...	Nat. Groc. pf.	....	90½	..	..	..
22	14	2.40	15	N. Sew. Pipe A	25	16	16	16	16
18½	5½	.	...	Nat. Steel Car.	1050	14½	14½	14½	14½
212	165	8	4.7	National Tr.	13	170	175	170	175
x10	10	.	...	Niag. W. Weav	....	..	..	..	..
24	16	3	...	Do. pref.	....	24	..	..	..
5.00	.75	.	...	North Star Oil	....	1.50	..	..	..
4.50	1.40	.	...	Do. pref.	600	1.75	1.80	1.40	1.50
				O					
211	190	8	4.1	Ogilvie Flour	37	195	195	190	190
125½	108	7	5.6	Do. pref.	....	125	..	..	..
12	4	.	...	Ont. Eq. 10% p	....	8	..	..	..
105	98	6	5.9	Ontario Loan	....	100½	..	..	..
9	4	.	...	Ont. Silknit	....	5	..	..	..
45	28	.	...	Do. pref.	50	35	40	39	40
9	4½	.	...	Ont. Steel	....	9	..	..	..
†105	105	.	...	Do. pref.	....	..	..	..	..
2½	½	.	...	Orange Crush	1590	.50	.90	.50	.85
14	5	.	...	Do. (A)	5	5	5	5	5
3.50	.25	.	...	Do. (B)	100	.50	1.05	1.05	1.05
92	80	6	7.5	Ott. L. H. & P.	....	80	..	..	..
97	84	6.50	6.9	Do. pref.	10	90	94	94	94
8	4½	.	...	Ott. Traction	....	5	..	..	..
				P					
70½	40	3	4.9	Page Hersey	490	57	61	58	61
18	18	.	...	Paton Mfg.	....	18	..	..	..
92½	90	7	7.6	Do. pref.	....	92½	..	..	..
58	20	3	5.2	Penmans	27	51	58	52	58
90	65	6	6.7	Do. pref.	....	90	..	..	..
17	8	.	...	Photo Eng.	200	15	16	15½	16

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
January 23, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	1.70	2.10
Acadia Sugar 6% pfd.	4.25	5.00
Agnew Surpass 7% pfd.	63.00	....
Allens London 7% pfd. bonus c.	36.00	....
Allens St. Cath. 7% pfd. bonus c.	36.00	....
Allens Toronto 7% pfd. bonus c.	19.00	....
Andian National Corp.	29.00	31.00
Atlantic Sugar "A" pfd	84.50	90.00
B.C. Pulp & Paper pfd.	8.00	....
Burns Pfd. bonus com.	5.00	7.50
Canada & Dom. Sugar	36.25	38.00
Canada Machinery com.	3.00	4.00
Canada Machinery pfd.	18.25	....
Canada Packers com.	40.50	43.00
Canada Packers pfd.	99.00	101.00
Canada Starch com.	5.25	....
Canada Starch 7% pfd.	76.00	....
Canada Wire & Cable 6½% pfd. WW	62.00	67.00
Can. Industries com. "A"	120.00	....
Can. Industries com. "B"	120.00	123.00
Can. Industries 7% pfd.	127.00	131.00
Can Westinghouse	44.50	47.00
Chase, A. W. pfd. bonus c.	18.00	22.00
Claude Neon Gen. Adv. Units	3.00	6.00
Dom. Foundries & Steel c.	5.25	7.75
Dom. Foundries & Steel 8% pfd.	41.50	....
Dom. Manufacturers 7% pfd.	....	60.00
Dunlop Tire 7% pfd.	62.00	66.00
Eastern Dairies Ltd. 7% pfd.	12.00	18.50
Federal Grain 6½% pfd.	14.00	18.50
Gen. Steel Wares pfd.	17.00	20.00
Goderich Elevator & Transit	6.00	7.50
Greening Wire 7% pfd.	55.00	....
Guelph Carpet 6½% pfd.	74.50	....
Guelph Carpet com.	6.75	....
Harding Carpets Ltd. Units	16.00	....
Highland Dairy Ltd. com.	4.00	....
Highland Dairy Ltd. 7% pfd.	62.00	....
Inter City Baking com.	15.00	17.00
Inter. Proprietaries "A"	32.00	34.00
Loew's London c.	.50	1.00
Loew's London pfd.	3.25	4.25
Loew's Toronto 7% pfd.	57.00	60.00
Massey Harris 5% pfd.	18.00	20.50
Mount Royal Hotel com.	.25	.80
Mount Royal Hotel 6 pfd.	2.00	3.00
National Grocers com.	1.90	2.25
National Grocers 7% pfd.	90.25	91.75
Paramount Kitchener pfd.	31.50	....
Paramount Oshawa pfd.	36.00	....
Provincial Paper 7% pfd.	72.00	76.00
Reliance Grain 6½% pfd.	33.00	36.00
Robinson Consol. Cone	6.00	7.50
Rolland Paper 6% pfd. WW	49.00	....
Ruddy, E. L. pfd.	8.50	....
Serv. Stations "A" pfd.	28.50	35.00
Standard Clay Products c.	....	15.50
Standard Fuel 6½% pfd. bonus	69.00	73.00
Supersilk pfd. bonus	37.50	....
Supertest Petroleum "B" pfd.	19.25	21.25
Thayers Ltd. pfd.	23.00	....
Toronto Elevators 7% pfd.	90.00	93.00

Ind. Stocks cont'd:	Bid	Asked
Toronto Housing com.	14.50	....
United Corpns. Ltd. "A"	6.50	8.00
United Corpns. Ltd. "B"	1.50	2.50
United Grain Growers	8.00	11.00
Western Grain 6½% pfd. bonus	5.50	10.00
Western Grocers pfd.	88.00	94.00
Willards Chocolates pfd.	14.00	18.00
Wood, Alex. & James pfd.	19.00	24.00
Zimmerknit com.	3.00	5.00
Insurance Stocks:		
Br. Amer. Assce.	25.00	....
Can. Life Assce.	405.00	....
Candn. Fire Ins.	50.00	57.00
Confederation Life 20% pd.	123.00	127.00
Continental Life 20 pd.	36.00	....
Crown Life Ins.	96.00%	....
Dominion Fire Ins.	86.00	....
Dominion Life 50% pd.	160.00	....
Dom. of Can. Gen. Ins.	104.00	110.00
Empire Life 25% pd.	9.50	13.25
Excelsior Life 30% pd.	72.00	....
Federal Fire 25% pd.	37.00	....
Great West Life Assce.	316.00	....
Guar. Co. of N. A. fully paid	205.00	225.00
Guar. Co. of N.H. 20% pd.	40.00	....
Imperial Life	275.00	....
Manufac. Life	210.00	230.00
Monarch Life 10% pd.	17.00	20.00
National Life 25% pd.	52.00	62.00
Sovereign Life 25% pd.	14.00	17.00
Sun Life Assur.	470.00	500.00
Western Assur. c.	15.50	19.00
Western Life 20% pd.	9.00	11.00
Trust & Loan Stocks:		
Br. Mtge & Trust	118.00	130.00
Chartered Trust	59.00	....
Eastern Can. Sav. & Loan	111.00	115.00
Eastern Trust	136.00	141.00
London & Western Trust	35.00	....
Premier Trust	80.00	....
Security Loan & Savings	90.50	....
Sherbrooke Trust	101.00	109.00
Sterling Trust	....	44.00
Traders Finance 7% "A" pfd.	35.00	....
Victoria Trust & Savings	130.00	139.00
Waterloo Trust & Savings	85.00	91.00
Investment Trust Shares:		
Can. Gen. Invest. Ltd.	5.20	5.50
Can. Invest. Fund Ltd.	3.20	3.50
Can. Investors Corp.	4.85	6.00
Cons. Div. Standard Sec. pfd.	11.25	....
Debenture & Sec. 5% pfd.	14.00	....
Dom. & Anglo Invest. Units	160.00	....
Dom. Scottish Invest. Units	14.50	18.00
Investment Foundation Units	28.50	31.00
Sec. Holding Corp. pfd.	8.00	....
Power Issues:		
Calgary Power 6% pfd.	78.00	82.00
Can. Light & Pwr.	25.00	....
Can. West. Nat. Gas LH&P pfd.	80.00	83.50
Great Lakes Pwr. pfd.	40.00	....
Maritime Tel. & Tel. Com.	10.00	11.00
Maritime Tel & Tel 7% pfd.	11.00	12.25
N. B. Telephone c.	8.90	9.25
N. S. L&P. c.	25.50	34.00
N. S. L&P 6% pfd.	73.50	....

Recent London Quotations:

Brewers & Distillers	11s.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 9d.
Hudson's Bay	26s.
Do., 5% pref.	92s. 6d.
Internat. Holdings	$2 1/16
Nfld. Pr. & Pap. deb. stock B 5½%	94½
Tor. Sub'an 4½% deb. stk.	20

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, c.	...	†20c	Mar. 1	Feb. 15
Do., pref.	7%	1¾%	Apr. 2	Mar. 15
Bank of Montreal	$8	$2	Mar. 1	Jan. 31
Buffalo Ankerite G.	10c	5c	Feb. 15	Feb. 1
Bank of Toronto	$10	$2.50	Mar. 1	Feb. 15
B. C. Telephone 2nd pref.	$6	$1.50	Feb. 1	Jan. 15
Beatty Bros., pref.	6%	1½%	Feb. 1	Jan. 15
Belding Corticelli. c.	$4	$1	Feb. 1	Jan. 15
Calgary Power, pref.	6%	1½%	Feb. 1	Jan. 15
Can. Bronze	60c	15c	Feb. 1	Jan. 19
Do., pref.	$7	$1.75	Feb. 1	Jan. 19
Canada South. Rly. c.	$3	$1.50	Feb. 1	Dec. 29
Can. Converters	$2	50c	Feb. 15	Jan. 31
Can. Dredge	50c	50c	Feb. 1	Jan. 17
Do., pref.	$7	$1.75	Feb. 1	Jan. 17
Can. Bank of Commerce	$8	$2	Mar. 1	Jan. 31
Canadian Oil	50c	12½c	Feb. 15	Feb. 1
Do. pref.	$8	$2	Apr. 1	Mar. 20
Coast Breweries	92c	32c	Feb. 1	Jan. 19
Dome Mines	1	25c	Feb. 1	Jan. 12
Do, extra	..	25c	Feb. 1	Jan. 12
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	..	50c	May 15	Apr. 30
Eastern Theatres, pref.	7%	3½%	Jan. 31	Dec. 30
Guelph Carpet pref.	$6.50	$1.62½	Feb. 1	Jan. 20
Humberstone Shoe	$2	50c	Feb. 1	Jan. 15
Howey Gold	..	†3c	Feb. 20	Jan. 20
Hollinger Gold	65c	5c	Jan. 29	Jan. 12
Imperial Bank	10%	2½%	Feb. 1	Dec. 31
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
International Utilities pfd.	$3.50	87½c	Feb. 1	Jan. 20
Do., pref.	$1.75	43¾c	Feb. 1	Jan. 20
Loblaw Groc. "A" & "B"	80c	20c	Mar. 1	Feb. 12
McIntyre-Porc. M.	$1	25c	Mar. 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
Do., bonus	...	12½c	Mar. 1	Feb. 1
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
National Biscuit, c.	$2.80	70c	Jan. 31	Jan. 12
Penmans	$3	75c	Feb. 15	Feb. 5
Do., pref.	6%	1½%	Feb. 1	Jan. 22
Quebec Power	$1	25c	Feb. 15	Jan. 27
Royal Bank	$8	$2	Mar. 1	Jan. 31
Russell Motor, pref.	4%	1%	Feb. 1	Dec. 30
Southern Can. Power, c.	80c	20c	Feb. 15	Jan. 31
Steel of Canada	$1.20	30c	Feb. 1	Jan. 8
Do., pref.	$1.75	43¾c	Feb. 1	Jan. 8
Sylvanite Gold	..	2½+2½c	Jan. 31	Jan. 10
St. Lawrence Flour	$1.50	37½c	Feb. 1	Jan. 20
Do., pref.	$7	$1.75	Feb. 1	Jan. 20
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 23
Second Std. Royalties pfd.	4c	1c	Feb. 1	Jan. 22
Teck-Hughes	60c	15c	Feb. 1	Jan. 10
Wainwright West Oil	...	*2c	Feb. 20	Feb. 10
Werton, Geo., pfd.	$7	$1.75	Feb. 1	Jan. 20

†Initial. *Interim.

Dividend Rate Reduced—
International Utilities pref. Feb. 1, $7 to $3.50 per annum.
International Utilities ($3.50 pref.) Feb. 1, $3.50 to $1.75 per annum.

Listed Bond Quotations

Week Ending January 22, 1934

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933-34 High	Low
Abitibi, 1st mtge.§	5	1953	...	...	30	26	30	13
Asbestos	5	1942	...	70	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	83	...	...	62	...
Can. Cottons	5	1940	8.11	94	...	...	84½	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. S.S. Debs.	5	1943	...	66	...	...	*83½	...
Cedars Rapids	5	1953	4.64	103	...	...	108	104½
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	4.00	...	...	4.25	1.00
Mex. L. & Pr.	5	1940	...	†59	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	45	45	44½	47½	39½
Mont. Tr. 1st mtg.§	5	1941	5.34	...	98	97½	98½	95½
Mont. Trams. A§	5	1955	7.12	79	...	...	81½	58
Do., G. & Ref. B	5	1955	7.44	...	...	...	74½	73½
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	7.41	...	...	...	77½	76½
N. S. Steel	5	1959	...	25	25	...	25	...
Ontario Steel	6	1943	7.43	87½	...	...	90	80
Porto Rico Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	105	...	...	*102½	100
Winnipeg Elec.§	5	1935	...	78	79½	...	79½	75
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	3.07	105.00	....	....	116.25	107.00
Do.	5½	1934	3.65	101.12	101.15	....	102.60	100.95
Do.	5½	1937	3.35	107.37	....	....	110.25	109.25
Do., refund	4½	1940	4.20	101.25	....	....	101.25	99.70
Do., refund	5	1943	4.50	103.50	....	....	104.90	101.85
Do., refund	4½	1944	4.36	100.75	....	....	100.50	98.25
Do., refund	4½	1946	4.36	100.75	....	....	*92.25	91.50
Do., renewal	4	1962	4.35	95.50	....	....	95.25	91.63
Do., refund	4	1945	4.38	95.75	....	....	96.50	95.55
Conversion Loan	4½	1956	4.57	99.25	....	....	100.70	97.00
Do.	4½	1957	4.52	99.25	....	....	99.00	96.00
Do.	4½	1958	4.51	99.50	....	....	100.75	97.75
Do.	4½	1959	4.50	100.00	....	....	100.80	97.50
Nat. Service Loan	5	1936	3.77	102.75	....	....	103.25	101.50
Do.	5	1941	4.43	103.25	....	....	103.75	100.75
Dom. Loan	4	1935	3.55	100.25	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	....	21	17	....	....
Can. For. Inv. deb.	7	1949	...	100.00	....	....	100.00	80.00

None recorded in 1933-34 to date. §Payable in Canada and N. Y.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
January 23, 1934

Industrial Bonds—		Bid January 23	Asked January 23
Abitibi P. & P. 5% 1953	F	27.50	30.00
Abitibi P. & P. C.O.D.	F	25.50	27.00
Acadia Sugar 6% 1946		96.00	97.50
Alta. Pacific Grain 6% 1946		70.00	73.00
American Sales Book 6% 1939		97.00	....
Asbestos Corp. 6% 1941	F	50.00	55.00
B. A. Oil 5% 1945		99.75	101.00
B. C. Pulp 6% 1950	F	49.00	53.00
B. C. Pulp 7% 1950	F	15.00	....
Burns 5½% 1948	F	35.00	37.00
Can. Biscuit 6½% 1946	F	17.00	21.00
Can. Bread 6% 1941		91.00	93.00
Can. Cement 5½% 1947		86.00	88.50
Can. Steamship 6% 1941	F	20.50	22.00
Can. Canners 6% 1950		97.00	99.00
Can. Copper Refin. 6% 1945		104.50	106.50
Can. Cottons 5% 1940		95.00	97.00
Can. Goodrich Income 7/43	F	30.00	....
Can. Vickers 6% 1947		50.00	53.00
Cons. Invest. 4½% 1959	F	54.00	56.00
Davies, Wm. 6% 1942		98.00	100.00
Debenture & Sec. 4% 1936		69.00	....
Dom. Tar & Chemical 6% 1949		66.00	69.00
Dom. Telegraph 5½% 1978 A		80.00	85.00
Dom. Textile 6% 1949		105.00	106.50
Dom. Woollens 6% 1948	F	23.00	25.00
Donnacona Paper 5½% 1948	F	37.00	39.00
Eastern Dairies 6% 1949		56.00	59.00
Famous Players 6% 1948		82.00	84.00
Federal Grain 6% 1949		64.00	68.00
Firestone Tire 7% 1937		96.00	100.00
Fraser Co. 6% 1932	F	51.00	53.00
Fraser Co. 6% 1950	F	37.00	41.00
Galt Brass 7½% 1941	F	23.00	....
Gen. Steel Wares 6% 1952		68.00	70.00
Goodyear Cotton 6% 1949		103.00	104.00
Great Lakes 6% 1950	F	31.00	34.00
Gypsum, Lime & Alab. 5½% 1948		65.00	68.00
Hamilton By-Prod. 7% 1943		88.50	91.00
Harris Abattoir 6% 1947		102.50	103.00
Howard Smith 5½% 1953		83.00	86.00
Lake St. John 6½% 1947	F	42.00	44.00
Lake St. John 6½% 1942	F	10.00	....
Loew's Toronto 6% Serial		97.00	....
Maple Leaf Milling 5½% 1949		36.50	38.50
Massey-Harris 5% 1947		70.00	73.00
McColl-Frontenac 6% 1949		96.00	98.00
McKinnon Industries 6½% 1945		97.00	....
Mercury Mills 5½% 1953		56.00	....
Minn. & Ont. 6% Serial	F	11.00	15.00
Price Bros. 6% 1943	F	69.00	71.00
Provincial Paper 5½% 1947		88.00	90.00
Simpsons Ltd. 5½% 1949		75.00	....
Simpsons Ltd. 6% 1949		84.00	88.0
Steel of Canada 6% 1940		106.00	108.00
Stop & Shop 6% 1947		74.00	....
Toronto Carpet 6% 1944		90.00	....
United Corpns. 5% 1953	F	65.00	67.00
United Gas & Fuel 5½% 1948		63.00	66.00
United Grain Growers 5% 1948		73.00	75.00
United Grain Growers 5½% 1949		76.00	....
Wabasso Cotton 7% 1942		70.00	75.00
Western Grain 6% 1949		44.00	....
Public Utility Bonds—			
Bell Telephone 5% 1955		104.00	105.00
B. C. Power 5½% 1960		94.00	95.50
B. C. Telephone 5% 1960		96.00	97.00
Calgary Power 5% 1960		87.50	88.50
Can. Northern Pwr. 5% 1953		84.00	86.00
Duke-Price Pwr. 6% 1966		83.50	84.50
French Natl. Mail SS 6/52		125.00	135.00
Gatineau Pwr. 6% 1941 A		76.00	76.50
Gatineau Pwr. 5% 1956		82.00	84.0
Maclaren Quebec 5½% 1961		85.50	86.50
Manitoba Power 5½% 1951		43.00	46.00
Montreal LH&P 5% 1970		104.00	106.50
Montreal Tram. 5% 1941 July		97.00	....
Northwest. Utilities 7/38		98.00	101.00
Ottawa Valley Pwr. 5½% 1970		101.00	103.00
Quebec Power 5% 1968		91.00	93.00
Rio Tramways 5% 1935		101.00	102.50
Shawinigan W. & P. 5% 1970		85.00	87.00
Shawinigan W. & P. 6% 1937		97.00	98.25
Southern Can. Pwr. 5% 1955		99.00	100.00
West Kootenay Pwr. 5% 1956		99.00	100.00
Realty Bonds—			
Albert Bay 6½% 1942		53.00	57.00
Balfour Bldg. 6% 1943		40.00	43.00
Bloor St. George 7% 1946	F	32.00	35.00
Clarendon Apts. 7% 1946	F	27.00	30.00
Clarendon Properties 7/44	F	23.00	26.00
Dominion Square 6% 1946	F	46.00	50.00
Eaton Realty 5% 1949		91.00	93.00
Godfrey Realty 6% 1942	F	35.00	37.00
General Brock Hotel 6/48	F	25.00	....
London Realty 6½% 1950	F	47.00	50.00
Lord Nelson Hotel 4% 1947		45.00	50.00
Mayor Bldg. 6½% 1942		35.00	40.00
Metropolitan Bldg. 7% 1944		90.00	92.00
National Realty 7% 1945	F	24.00	26.00
Northern Ont. Bldg. 6½% 1939		73.00	75.00
Ontario Bldg. 6½% 1943	F	40.00	45.00
Richmond Bay 6½% 1947		70.00	72.00
Windsor Hotel 6% 1947		45.00	50.00
Government, Provincial & Railway—			
C. N. R. 4½% 1957 Dom. Gtd.		99.00	100.25
C. N. R. 5% 1969 Dom. Gtd.		106.00	106.50
C. P. R. 4½% 1944		81.00	83.00
C. P. R. 6% 1942		104.00	105.00
Dom. of Can. 5% 1936		103.00	104.00
Dom. of Can. 5% 1941		103.50	104.00
G. T. P. 3% 1962 Dom. Gtd.		85.50	86.50
G. T. P. 4% 1962 Dom. Gtd.		96.50	97.50
Ont. Hydro 3½% 1952 Ont. Gtd.		92.00	93.00
Ont. Hydro 4% 1957 Ont. Gtd.		93.50	94.25
Prov. of N. B. 5½% 1950		104.00	105.00
Prov. of Ont. 5½% 1946		107.00	108.00
Prov. of Ont. 5% 1948		103.00	103.50
Prov. of Ont. 4½% 1944		102.00	103.00

F—Traded without accrued interest.

Unlisted Mining Stocks

January 23, 1934

	Bid	Ask
Algoma M. & Fin.	.10	.15
Arntfield Gold	...	.82
Arntfield Synd.	.67	.72
Astoria Rouyn	.02	.03
Bathurst	.04	.05
Beattie	1.30	1.35
Bidgood	.01½	.02½
Buff. Ankerite	1.60	1.70
Buff. Rouyn	...	.03
Bussieres Min.	...	.40
Can. Radium	.06	.10
Canusa Mining	...	.04
Cochenour-Wil. Units	15.00	20.00
Continental Gas.	.02½	.05
Continental Gold Units	...	125.00
Continental Kir.	.02	.03
Crown reserve	...	.01
Delta Units	30.00	50.00
Dorval Siscoe Units	...	15.00
Dunkin	...	.01
Dunlop Cons.	.01	.02½
Eagle Oil	1.35	1.50
Echo Bay Explor.	...	.35
Edgecreek Un.	10.00	16.00
Fiske	...	.03
Flintoba	.00½	.01½
Four Nations	.10	.14
Galatea Units	15.00	25.00
Glenora Gold	...	.30
Gold Bar Mines	.23	.25
Goldside Units	29.00	35.00
Gr. Bear Lake	...	.62
Grenteck Un.	10.00	15.00
Gunnar Gold	.83	.85
Herbin Lake Un.	9.00	13.00
Horseshoe	.07	.10
Iroquois Kirk.	.17	.19
Island Lake	.13	.15
Kenty Gold	.90	1.05
Kirk. Gold	.09	.14

	Bid	Ask
Lake Geneva	.10	.16
Lamaque Gold	.75	1.25
Little Long Lac	1.39	1.43
McCarthy Webb.	...	.09
Mackenzie Red Lake	.56	.57
McL. Cockshutt	.25	.27½
Makwa Cham.	.25	.28
Man. & Eastern.	.08	.10
Maple Leaf M.	.37	.39
Matachewan Can.	.09½	.11
Mecca Gold	.18	.22
Metals Develop.	.02	.03
Minefinders	1.00	..
Minrand Gold	.22	.30
Montreal-Alb. Petroleum	.38	..
N.A.M.E. Units.	5.50	...
Normetal Min.	.40	.50
Northl'd Pros.	...	500.00
N. Tiblemont Un.	...	13.00
O'Connell Gold	.20	.25
Oro Grande Dev.	.50	.70
Peninsular Pet.	.00½	.00¾
Pontiac Rouyn	.44	.48
Que. Eureka Un.	10.00	14.00
Quebec Pros.	2.50	..
Quetario Pros.	...	2.00
Rubec Mines	.01	.02
Silverore Un.	10.00	12.00
Silveradium Un.	70.00	80.00
Silver Valley	.13	.18
Smelter Gold	.27½	.28½
Sourdough Un.	5.00	10.00
Sun Bear	...	.20
Sunorca Explor.	1.00	1.15
Swayze Contact	...	17
Tiblemont Island	.24	.25
Toburn	.73	.83
Tyrrell Tp. McN.	..	40.00
West McWatters Units	5.00	9.00
Wendigo	.25	.35
Young Davidson.	.32½	.34

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Winnipeg Stock Exchange

(Transactions for week to January 20)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Jan. 20
..	..	Beaver Lumber, pref.	20	65	65	65
4	7.3	Canadian Fire	140	55	55	55
..	..	Crescent Creamery	5	11	11	11
..	..	Gabrielle	1,150	.10	.10	.10
..	..	Grouped Income Shs.	20	4.35	4.35	4.35
..	..	Smelters Gold	1,000	.28	.28	.28
..	..	Island Lake	1,000	.07	.07	.07
..	..	Pelissiers, pref.	10	25	25	25
1	9.7	United Grain Grow.	95	10¼	9⅛	10¼
..	..	Western Breweries	150	.85	.85	.85

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber c.	..	4
City Dairy 8% pfd.	..	15
Gt. West Life	320	..
Home Investment	20	..
Monarch Life 10% pd.	17	..
Nor. Mtg. part pd.	..	5

	Bid	Ask
Pelissiers, com.	½	1
Sovereign Life	12	13
Traders Bldg. Assn.	65	..
Can. Amer. Tr. shs.	2½	3½
Can. Invest. Fund.	..	3.45
Fundamental Ser. A	..	4½
Fundamental Ser. B	..	4½

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Opportunity

A CANADIAN Company of unquestionable financial standing and successful manufacturing and selling experience wishes to add new lines to balance production of its manufacturing department, which has full facilities from foundry to finished product in metal working lines; also woodworking shop.

Will either manufacture for other concerns or will consider purchasing well established businesses manufacturing well known and extensively used articles of high repute.

Would only be interested in lines that can readily be manufactured in, and nationally distributed in Canada from, present plant in the Province of Quebec.

Not interested in acquiring any additional plant or equipment except perhaps some small amount of special machinery.

If buying lines or business outright would only be interested in product already successfully sold in quantities in Canada.

If manufacturing only to firm orders for another concern would require reputable article and good financial standing of such concern. Box 238, The Financial Post, Toronto, Ont.

Churchill Route

Brick Warehouse, in Winnipeg, 6 storeys, steam heating, two freight elevators, suitable for light manufacturing, warehouse, wholesale storage. Owner will make alterations to meet reasonable requirements. Apply ground floor, 323 Main Street, Winnipeg.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Representative Wanted

A MANUFACTURER IN SCOTLAND of high-grade Harris Tweeds desires to secure reliable representative to handle his product for the Canadian market. Box 230, The Financial Post, Toronto.

Meetings Reported

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to ensure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND No. 283

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1934.

By Order of the Board,

W. A. BOG, General Manager — JACKSON DODDS, General Manager

Montreal, 19th January, 1934.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 31st January, 1934, at twelve o'clock noon.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 14th December, 1933.

The Royal Bank of Canada

DIVIDEND NO. 186.

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1934.

By order of the Board.

M. W. WILSON, General Manager.

Montreal, Que., January 12, 1934.

The Guelph Carpet & Worsted Spinning Mills Limited

Preferred Dividend No. 19

Notice is hereby given that a Dividend of One and Five-eighths per cent. (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills, Limited, for the Three Months ended January 31st, 1934, payable February 1st, 1934, to Shareholders of record at the close of business January 20th, 1934.

By order of the Board.

B. F. GRIGGS, Secretary-Treasurer.

Guelph, Ont., January 20th, 1934.

QUEBEC CITY HOST TO 35TH ANNUAL C.I.M.M. MEETING

Prospectors Join Conclave to Tell How Mines Are Found

The 35th Annual General Meeting of the Canadian Institute of Mining & Metallurgy is to be held in the Chateau Frontenac, Quebec, April 3, 4 and 5, in response to the cordial invitation from the Provincial Minister of Mines, the Hon. J. E. Perrault.

This annual meeting of the Canadian mining fraternity extends a hearty welcome to mining men throughout the world and this year's meeting promises to surpass all others due to the genial hospitality for which Old Quebec is famous.

A preliminary programme has been tentatively arranged to include papers and sessions interesting to the technical man, prospector and layman alike.

This programme will include the following:

Geological:

The Geology of British Columbia Goldfields, by Victor Dolmage.

The Geology of the Vipond Mine, by E. Y. Dougherty.

The Geology of the Beattie Mine, by J. J. O'Neill.

The Geology of the Horne Mine, Noranda, by Peter Price.

Industrial Minerals:

Recent Developments in the Sodium Sulphate Industry, by L. H. Cole.

Mining Methods at the King Mine. (An Account of the block-caving recently introduced by the Asbestos Corporation) by J. G. Ross.

A Non-wasting Industrial Mineral, by A. W. G. Wilson.

Milling and Metallurgy:

Ore Treatment at Falconbridge, by Gill and Mott.

The Trail Leaching Process and Treatment of Fume Produced from Lead Blast Furnace Slag, by Hannay and Bryden.

The Flin Flon Mill, Smelter, and Zinc Plant, by The Staff, Hudson Bay Mining and Smelting Company Ltd.

Mining:

Sub-level Stoping, by A. Hasselbring.

Guniting at the McIntyre, by D. E. Keeley.

The History, Development, and Practice of the Hudson Bay Mine, by The Staff, Hudson Bay Mining and Smelting Company Limited.

Power Development for Flin Flon, by The Staff, Hudson Bay Mining and Smelting Company Limited.

Prospecting:

An entire session will be devoted to this subject. Brief papers will describe:

The Organization and Service of a Provincial Prospectors' Association.

The Use of Government Maps and Reports.

The Equipment of a Prospecting Party.

A satisfactory "Grubstaking" agreement.

A Fair Deal for a Prospect.

The greater part of the session will be allotted to descriptions of practice and outstanding discoveries by practical prospectors.

General:

The Companies Information Act and Security Frauds Act, Quebec, by W. Amyot.

The Tax Return of a Mining Company, by E. D. Fox.

Blue Sky Laws, by W. E. Segsworth.

Mine Taxation, by The President—Balmer Neilly.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 188

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1934, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March next, to shareholders of record at the close of business on the 31st January, 1934. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 19th January, 1934.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 61

Notice is hereby given that a dividend of five per cent (5%), plus an extra dividend of two and one-half per cent (2½%), plus a bonus of two and one-half per cent (2½%), on the Company's Capital Stock, will be paid in New York funds on March 1, 1934, to shareholders of record at the close of business on February 1, 1934, free of any tax payable at the source under The Canadian Income War Tax Act.

By Order of the Board.

BALMER NEILLY, Treasurer.

Dated at Toronto, January 18, 1934.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that the regular quarterly dividend of 20 cents per share on the Class "A" shares, and the regular quarterly dividend of 20 cents per share on the Class "B" shares of the company have been declared for the quarter ending February 28th, 1934, payable on March 1st, 1934, to shareholders of record at the close of business on February 12th, 1934. The transfer books will not be closed.

By order of the Board.

D. URQUHART, Secretary.

Toronto, Jan. 20, 1934.

The Bank of Toronto

Dividend No. 210

Notice is hereby given that a Dividend of Two and One-Half per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of March next, to shareholders of record on February fifteenth, 1934.

By Order of the Board.

H. B. HENWOOD, General Manager.

Quebec Power Company

Notice is hereby given that a dividend of Twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended December 31st, 1933, payable February 15th, 1934, to shareholders of record January 27th, 1934.

By Order of the Board,

JAMES WILSON, Secretary.

Montreal, January 18, 1934.

B. C. GOLD OUTPUT ABOUT 217,000 OZ.

Pioneer Outstrips Famous Premier in Production

From Our Own Correspondent

VICTORIA—Production figures for the year 1933 show that among the gold producers of the province the Pioneer Gold Mine in the Bridge River area has definitely established itself as the leader outstripping the famous Premier Mine by over $1,000,000, having produced 34,000 ounces more gold than the Portland Canal "Wonder Mine."

Government figures just compiled show that the Pioneer output for 1933 totalled 84,000 ounces of fine gold. Next in line was Premier with 50,000 ounces. Bralorne is third with 26,000 ounces, followed by Reno with 12,000 ounces and Cariboo Gold Quartz with 8,000 ounces. Miscellaneous producers added 37,000 ounces bringing the total for the entire province to 217,000 ounces, normally valued at about $4,500,000.

McKinley Mines Increases Capital

Shareholders of McKinley Mines Securities Co. are in receipt of notice of a plan to double the authorized capitalization of the company.

Presently incorporated at $1,000,000 in $1 par value shares, of which 561,931 are outstanding, it is proposed to increase the authorized capitalization to $2,000,000 and offer rights to existing shareholders to subscribe for one new share at 50 cents each to the extent of their present holdings. Rights for purchasing the new stock expire on March 5.

The present company was incorporated in 1928 to take over the assets of the McKinley-Darragh-Savage Mines at Cobalt, a former silver producer that paid 265 per cent in dividends. The present company operates as a holding company with principal investment in mining securities.

The new shares which are being offered as rights are firmly underwritten and net the treasury 50 cents per share.

British Interested In Newfoundland Wood

The Britten-Ferry Smelting Works of Swansea, Wales, has its representative in Newfoundland investigating pitwood and pitprops. The company is in the market for 60,000 cords of wood, according to The Newfoundland Daily News.

Some 50 or 60 years ago this company treated the copper ore from the Union Mine at Tilt Cove when Newfoundland ranked as the sixth largest producer of copper in the world.

In the early 80's of the last century the Cape Copper Co., the Tharsis Copper Co., and Matheson & Co., all with head offices in the British Isles, were actively engaged in the exploitation of Newfoundland's copper ores.

Smelters Dealing For Salmon Gold

From Our Own Correspondent

VICTORIA.—The Consolidated Mining & Smelting Co. will take over the development of the property of the Salmon Gold Mines at the head of the Salmon River, it is learned here on good authority.

As yet no details of the deal can be obtained but it is expected they will be made known when shareholders of the Salmon Gold Co. meet to ratify the deal in a short time.

The only work done on the property last year was in the way of surface exploration and open cutting of a wide vein of quartz in which free gold was found. During the latter part of the summer, Smelters made an examination of the ground with the result that negotiations were begun.

Amisk Gold Synd. To Diamond Drill

The Amisk Gold Synd., with a property at Beaver Lake, Saskatchewan, just over the boundary from the Flin Flon operations in Northern Manitoba, has been recommended for an initial programme of 1,000 ft. of diamond drilling by T. E. Hopkins, the company's consulting engineer. A shaft has been sunk to a depth of 125 ft. on the incline where mineralized lava was encountered assaying $13 in gold over a width of five ft.

Mining Stock Quotations

Week Ending January 22.

Par Val.	Range 1933-34 High	Low	Company	Sales	Close Jan. 15 (or last)	High for week	Low for week	Close Jan. 22
1	.02½	.00½	Aconda	29,800	.02	.02½	.02	.02½
No	.30	.03	Aldermac	5,250	.15	.16	.14½	.14½
1	.06	.01	Alexandria	451,923	.04½	.05½	.04	.05½
No	.06	.01¼	Algoma	65,600	.02	.02½	.01½	.01½
1	.01½	.00½	Algonquin	4,000	.00½	.00½	.00½	.00½
[illegible]	[illegible]	[illegible]	Amity Copper	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Anglo-Huronian	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Area	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Arno	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Ashley	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Astoria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Bagamac	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Baldwin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Barry Hollinger	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Base Metals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	B. E. A. R.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Big Missouri	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Bobjo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Bralorne	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Brett Trethewey	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	B. R. Ex. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Brownlee	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Buffalo Ank.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Buffalo Can.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Bulolo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Bunker Hill	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	B'Wana M'Kubwa	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Canam Metals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Can. Kirkland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Can. Malartic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Capital Rouyn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	3.05	2.25	Cariboo G. Q.	2,750	2.30	2.55	2.25	2.55
1	.03½	.01	Cartier Malartic	27,500	.01½	.02½	.01½	.02½
1	.72	.15	Castle Trethewey	19,900	.60	.60	.55	.55
1	.20	.06	Cen. Manitoba	44,629	.12	.12½	.11½	.11½
1	.73	.17	Cen. Patricia	41,349	.57	.59	.54	.58
No	.20	.03	Chibougamau Pros.	106,350	.06½	.06½	.06	.06½
No	.15	.03	Church. M. & Mill.	105,700	.12½	.14½	.12	.14
No	.04	.00½	Clericy	142,000	.01½	.02½	.01½	.01½
1	.03	.00½	Clifton Cons.	3,000	.01½	.01½	.01½	.01½
5	9.00	1.65	Coast Copper	2,100	4.45	4.85	4.25	4.50
1	.15	.00½	Cobalt Contact	32,500	.05½	.05½	.04½	.04½
1	.63½	.43	Columario (new)	91,645	.59½	.63½	.59½	.63
5	1.90	.75	Coniagas	1,810	1.60	1.75	1.55	1.60
No	1.55	.20	Coniaurum	14,200	1.39	1.55	1.35	1.38
25	144.00	54.00	Cons. Smelters	4,340	136.75	137.50	134.00	136.00
No	40.00	13.60	Dome Mines	6,435	35.50	34.75	33.50	33.75
No	.15½	.03½	Dom. Explorers	22,000	.06	.06	.05½	.05½
1	.02½	.00½	Dominion Kirk.	12,000	.00½	.01	.00½	.01
1	.04	.00½	Don Rouyn	4,000	.01½	.01½	.01½	.01½
1	.04½	.01	Duparquet	5,500	.01½	.02	.01½	.02
1	8.10	1.16	Eldorado	34,305	3.88	3.90	3.63	3.72
No	4.55	1.80	Falconbridge	18,138	3.20	3.30	3.02	3.15
1	.06	.01	Federal	76,500	.03	.03½	.02½	.03½
No	.07	.01	Gilbec	82,750	.03½	.03½	.03	.03½
.	.84	.80	God's Lake	32,000	.....	.84	.80	.82
1	.17	.04	Goldale	79,750	.13½	.14½	.12½	.13
10	.29	.10	Goldfield	126,400	.18	.27	.17	.25
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.23	.02	Goodfish	19,650	.17½	.17½	.14½	.15
1	.06	.01	Graham	142,600	.04	.06	.03½	.05
1	1.85	.50	Granada	28,100	.70	.70	.65	.65
1	.18	.03½	Groselle	6,000	.05	.07	.05	.05
1	.38½	.38½	Grull Wihksne	......	.38½	.....	.....	.....
1	.45	.24	Halcrow Swayze	5,100	.33	.34	.32	.34
1	.06	.02	Harker	152,203	.04	.05½	.04	.04½
1	.01½	.00½	Hilltop	12,000	.01	.01½	.00½	.01
5	12.50	6.05	Hollinger	26,732	12.50	12.50	12.15	12.15
1	1.23	.61	Howey Gold	39,516	1.04	1.09	.99	.99
No	12.25	8.10	Hudson Bay	2,360	9.25	9.95	9.25	9.75
No	.55	.25	Huronian	......	.40	.....	.....	.....
1	13.50	8.50	Inter. Mining	2,755	12.60	13.50	12.65	13.00
.	4.80	2.75	Do., Pur. Warr.	355	4.00	4.80	4.25	4.80
No	23.25	8.00	Int. Nickel	68,477	22.60	22.95	22.40	22.85
1	.06	.00½	Jackson Manion	410,150	.05½	.06	.05½	.05½
1	.70	.20	Keeley	......	.50	.....	.....	.....
1	.02½	.00½	Keora Mines	10,500	.01½	.01	.00½	.00½
1	.76	.48	Kirk. Hud. Bay	1,100	.55	.56	.54	.56
1	.02½	.00½	Kirk. Hunton	297,600	.00½	.02	.00½	.01½
1	.52	.27	Kirkland Lake	67,525	.29	.35	.30	.31
1	.04½	.01½	Kirkland Premier	25,000	.02	.03	.01½	.03
1	.52	.12	Kirk. Townsite	16,900	.25	.24	.21½	.22
20c	.02½	.00½	Koot. Florence	6,000	.01½	.01½	.01½	.01½
1	.35	.13	Lakeland	20,600	.15	.17	.13	.15½
No	.32	.07	Lake Maron	208,300	.09½	.10½	.09	.09½
1	52.00	30.75	Lake Shore	5,860	46.25	47.00	44.00	44.00
1	.23½	.02½	Lebel Oro	220,500	.10	.15	.10	.14
No	.29	.11	Lee Gold	44,600	.13	.15½	.13	.15½
1	2.32	1.70	Macassa	79,821	2.15	2.32	2.10	2.27
1	.07½	.01	Malrobic	4,000	.02½	.02½	.02	.02
No	.17	.02½	Mandy	2,500	.09	.09½	.09	.09
No	.07	.01	Manitoba Basin	176,606	.02½	.04	.02½	.03½
5	48.60	21.20	McIntyre	6,125	42.75	42.50	40.50	40.75
1	.55	.30	McKinley	500	.50	.50	.50	.50
No	.08	.01	McLeod River	25,500	.02	.02½	.01½	.02½
1	.53	.03	McMillan	107,950	.52	.53	.44	.49½
No	1.15	.35	McWatters	54,800	.47	.45	.36	.38
1	1.21	.15	McVittie	51,890	1.08	1.12	1.03	1.10
5	1.25	.06	Mentor Exp. & Dev.	......	1.05	.....	.....	.....
No	2.65	1.20	Mining Corp.	2,115	1.87	1.95	1.80	1.85
1	.05	.01½	Moffatt Hall	127,960	.02½	.03½	.02½	.03½
1	.12½	.02	Moneta	8,000	.09	.09½	.09	.09½
1	.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.12½	.02½	Moss	1,250	.02½	.02½	.02½	.02½
1	.03½	.00½	Murphy	40,500	.01½	.01½	.01½	.01½
No	.06½	.02	Newbec	13,600	.02½	.02½	.02½	.02½
1	.06½	.01½	Night-Hawk Penn.	3,500	.04	.04	.03	.03½
5	3.50	1.15	Nipissing	5,478	2.50	2.55	2.40	2.45
No	39.25	19.75	Noranda	13,755	34.75	35.25	34.10	34.60
No	.52	.26	Nor. Canada	7,900	.30	.35	.30	.31
1	.34	.05	Orisko	2,500	.13	.14	.11½	.12
1	.46	.11	Parkhill	36,675	.42	.44	.40	.40
1	.03½	.01	Pawnee Kirk.	17,500	.02	.02	.01	.01½
1	.29	.19	Paymaster	26,105	.23½	.24½	.21	.22
1	1.80	.50	Pend Oreille	19,990	.98	1.10	.98	1.02
1	.04½	.00½	Peterson Cobalt	3,000	.03	.03	.02½	.02½
1	16.25	4.30	Pioneer Gold B.C.	10,100	12.50	12.50	11.90	11.95
1	.03	.00½	Porcupine Crown	22,000	.01½	.02½	.01½	.02½
1	.01½	.00½	Potter Doal	4,000	.00½	.00½	.00½	.00½
1	1.60	.55	Premier Gold	33,380	1.08	1.09	1.05	1.07
1	.03½	.00½	Preston E. Dome	2,000	.01½	.01½	.01½	.01½
No	1.75	.33	Prospectors Air's.	2,100	.40	.48	.45	.45
No	.15	.03	Quemont	300	.05	.08	.05	.08
1	.51	.25	Read Authier	22,100	.30	.29	.28	.28
1	2.75	.70	Reno	50,430	.93	1.12	.95	1.06
1	.03½	.00½	Ribago	32,000	.01½	.01½	.01	.01½
1	.03	.01½	Ritchie	1,000	.01½	.01½	.01½	.01½
1	.04½	.01	Robb Montbray	186,100	.02	.03½	.02	.02
1	1.90	.75	San Antonio	91,350	1.89	1.90	1.78	1.81
1	.07	.02	Seven-Troughs	......	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	94,543	1.04	1.17	1.00	1.12
1	1.78	1.25	Siscoe	93,680	1.55	1.59	1.50	1.57
1	.10½	.02	South Keora	9,500	.02½	.02½	.02½	.02½
No	.26½	.18	South Tiblemont	681,000	.23	.25	.15	.17
No	.16	.08	Stadacona	46,730	.12½	.12½	.11	.11
1	.60	.07	St. Anthony	75,000	.40	.40	.40	.42
No	2.21	.60	Sudbury Basin	9,434	1.10	1.18	1.10	1.18
1	.15	.00½	Sudbury Contact	36,500	.09	.10	.08½	.09
1	.02½	.00½	Sudbury Mines	3,000	.01	.01	.01	.01
No	.28	.16½	Sudbury Nickel	......	.18	.....	.....	.....
1	.38½	.14	Sullivan	72,500	.27	.35	.26	.34
1	1.70	.72	Sylvanite	139,745	1.51	1.70	1.49	1.67
1	7.25	3.70	Teck Hughes	43,401	6.05	6.20	6.00	6.10
1	.33	.03	Thom. Cadillac	245,340	.31½	.33	.28	.31½
1	.61	.10	Towagmac	4,200	.32	.31	.30	.31
1	3.00	.35	Treadwell	4,200	.45	.60	.55	.60
1	.25	.04	United Kirkland	......	.20	.....	.....	.....
No	.06½	.01	Vacuum Gas	19,500	.02	.01½	.01½	.01½
No	2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.50	.66	Ventures	39,018	.82	.88	.80	.86
1	.22	.01½	Vickers	60,700	.02	.02½	.02	.02
1	.72	.20	Vipond	......	.45	.....	.....	.....
No	1.80	1.12	Waite Amulet	26,709	1.25	1.40	1.20	1.30
50c	.75	.32	Wayside	151,150	.44½	.48	.40	.46½
No	.40	.18	White Eagle	136,600	.38½	.39	.35	.35½
1	.08	.02½	White Lake	21,300	.04½	.05½	.04	.04½
1	.28	.02	Wiltsey Coughlan	12,800	.09½	.10½	.08½	.08½
1	.27	.05	Wood Kirkland	10,450	.06	.06	.05	.05½
No	8.60	3.73	Wright-Hargreaves	24,220	7.25	7.30	6.90	7.05
			OIL STOCKS					
No	.32	.07½	Acme Gas & Oil	21,350	.17½	.18	.17	.18
1	.05	.04½	Admiral	......	.05	.....	.....	.....
No	.01	.01	Advance	......	.01	.....	.....	.....
1	1.60	.55	Ajax	3,250	1.08	1.08	1.02	1.07
1	.68	.05	Alta. Pacific	2,150	.20	.20	.19	.19
1	.20	.05	Amalgamated	9,375	.14½	.14½	.12	.13½
1	.07	.03½	Anaconda	2,000	.04½	.05	.04½	.04½
No	1.10	.04½	Associated	9,225	.27	.30	.25	.26
No	.26	.01	Baltac	4,475	.09	.09	.08½	.08½
1	.06	.06	Brit. Dominion	......	.06	.....	.....	.....
No	2.50	.25	Calgary & Ed.	5,010	1.10	1.12	1.03	1.12
1	.45	.03	Calmont	2,800	.14	.12	.12	.12
1	.25	.03½	Common Pete.	......	.10	.....	.....	.....
No	2.50	.11	Dalhousie	3,998	.60	.60	.55	.55
No	.19	.02	Devenish	14,900	.07	.08½	.07	.08
No	.55	.05½	East Crest	9,090	.26	.26½	.24	.24½
No	.36	.20	Erie Gas	......	.20	.....	.....	.....
No	.02	.00½	Fabyan Pete	32,100	.01	.01	.00½	.01
No	1.75	.06	Foothills	1,300	.50	.50	.49	.50
No	.28	.06	Freehold	21,510	.15	.15	.10	.13
No	.13	.01½	Hargal	2,080	.10	.10	.08	.08
No	4.05	.30	Home	13,985	1.87	1.85	1.70	1.75
No	.05	.02	Homestead	......	.02	.....	.....	.....
1	.25	.10	Homestead O. & G.	2,600	.16	.16	.15	.15
No	.47	.10	Lowery	4,225	.25	.29	.25	.25
No	.06½	.01½	Madison	38,100	.03½	.04½	.03½	.04½
No	.21	.05½	Marjon Oil	11,900	.19	.20	.18½	.20
No	.10	.03½	McD. Segur Ex.	7,000	.05	.04½	.04½	.04½
1	.08½	.05	McD. Segur N.	......	.06	.....	.....	.....
1	1.10	.25	McLeod	500	.45	.45	.40	.40
No	.30	.07½	Mercury	97,350	.20½	.22	.18	.18½
No	.45	.11	Merland	4,200	.35	.36	.34	.35
[illegible]	[illegible]	[illegible]	Mid West	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Mill City Pete	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Model	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Nordon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Oil Selections	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Okalta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Do. pfd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Olga Gas & Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Petrol Oil & Gas	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Royalite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Sarnia Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	South West Pete	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Spooner	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Sterling Pacific	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Trinidad Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	United	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Vanalta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Wainwright-West	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VANCOUVER STOCK EXCHANGE

(Transaction for week to January 17.)

Par Val.	Range 1933-34 High	Low	Company	Sales	Close Jan. 10 (or last)	High for week	Low for week	Close Jan. 17
.	.05	.04½	Alexandria G.	2,000	.05	.05	.04½	.04½
25c	.03	.00½	Bayview	17,000	.01½	.01½	.01½	.01½
20c	.10½	.02½	Beaver Silver	24,750	.08	.08	.07	.07½
25c	.17	.03	Big Slide	30,000	.05	.06½	.05½	.05½
25c	.06½	.02	Bluebird	......	.03	.....	.....	.....
1	1.20	1.00	Bradian	1,270	1.00	1.00	.90	.90
No	13.00	1.38	Bralorne	4,148	10.15	10.40	10.10	10.00
1	.57	.05	Bridge River Cons.	82,450	.31	.33	.29	.31½
50c	.71	.22	Bridge River Exp.	121,500	.53	.58½	.48	.52½
100	99.00	88.50	B. C. Electric, pfd.	5	98.00	99.00	99.00	99.00
1	.63	.33	B. C. Nickel	27,000	.55	.63	.54	.61
1	1.50	.60	B. C. Silver	......	1.00	.....	.....	.....
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
50	.25	.20	Butte I. X. L.	100	.25	.25	.25	.25
25	.36	.35	Cariboo Central	......	.36	.....	.....	.....
1	.460	1.50	Cariboo Gold	25,280	2.75	2.70	2.00	2.15
No	12.90	5.60	Coast Breweries	180	8.75	9.00	8.75	9.00
25c	.02½	.00½	Cork Province	6,000	.01	.01	.01	.01
1	.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.08	.01½	Dalhousie Mines	5,000	.03	.02½	.02	.02
50c	.47	.21	Dentonia	20,525	.45	.45	.40	.41
1	.45	.02	Dunwell	17,750	.40	.40	.32	.32
1	1.00	.28	George Copper	400	.30	.31	.31	.31
50c	.12	.03	Geo. Enterprise	......	.03	.....	.....	.....
1	.09½	.01½	Georgia River	10,600	.02½	.03	.02½	.02½
.	.05	.01	Glacier Creek	21,500	.04½	.04½	.04	.04
.	.60	.16	Golconda	8,100	.49	.50	.47½	.50
50c	1.25	.25	Gold Belt	27,800	.30	.46	.38	.46
1	1.50	.95	Golden Belle	......	1.50	.....	.....	.....
50c	.11	.03	Grandview	21,700	.05½	.05½	.05	.05½
1	.30	.22	Grull Wihksne	19,700	.30	.40	.33	.37
No	.15	.07	Home Gold	82,800	.07	.15	.07	.13½
25c	6.95	6.25	Hecla Min.	......	6.95	.....	.....	.....
1	.01½	.00½	Independence	1,000	.01½	.01½	.01½	.01½
.	.05½	.04½	Hercules	4,000	.....	.05½	.05½	.05½
1	.03½	.01	Indian Mines	7,000	.02	.02	.02	.02
1	.17	.08½	Inter. Coal	......	.13	.....	.....	.....
1	.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.57	.18	Kootenay Belle	3,800	.24	.24	.22	.23
25c	.04	.00½	Kootenay King	......	.01	.....	.....	.....
25c	.01½	.00½	L. & L.	1,000	.01	.01½	.01½	.01½
1	.01	.00½	Lakeview	3,000	.00½	.00½	.00½	.00½
10c	.06½	.01	Lucky Jim	9,400	.06	.06	.05½	.05½
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	1.05	.20	Meridian Min.	180,150	.31½	.32	.24½	.27
1	.10	.07	McGillivray Creek	......	.07½	.....	.....	.....
5c	.13	.04½	Metaline Metals	......	.04	.....	.....	.....
No	.22	.12	Minto Mines	125,250	.17	.22	.16	.19
50c	.17	.05	Mogul	3,500	.06	.06½	.05½	.06
25c	.01	.00½	Mohawk	......	.00½	.....	.....	.....
50c	.41	.15	Morning Star	95,300	.23	.28½	.22	.26
1	.06	.00½	Morton Woolsey	24,500	.02	.03	.02½	.02½
1	.29	.03	Native Sons	50,100	.06½	.09	.06	.07
50c	.10½	.01½	National Silver	35,200	.06	.06	.05½	.06
50c	1.31	.74	Nicola	84,395	1.20	1.31	1.21	1.30
50c	.21½	.02½	Noble Five	66,200	.13½	.14	.13	.13½
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.35	.12½	Pavilion	30,700	.12½	.27	.14	.27
1	1.25	.40	Pioneer Extension	......	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	390	12.25	12.75	11.90	12.00
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	8,500	.14	.13½	.13	.13
No	.04	.00½	Premier Border	51,500	.01½	.02	.01½	.01½
No	.25½	.15	Princess Royal	650	.23	.25½	.25	.25½
1	.10	.02	Quatsino Copper	3,000	.02	.03	.03	.03
No	.42	.10	Reeves McDonald	2,400	.20	.22½	.20	.22
1	.30	.10	Reliance	46,100	.11	.17	.13	.16
1	2.70	.60	Reno Gold	30,400	.90	1.08	.92	1.05
1	.22	.04	Reward Mining	28,100	.11	.12	.10½	.11½
1	.10	.01	Rufus Argenta	23,000	.02½	.02½	.02½	.02½
1	.07	.01	Ruth Hope	4,500	.03½	.04½	.04	.04
1	.65	.30	Sally Mines	6,800	.48	.54	.45	.45
1	.15	.03½	Silverado	......	.07½	.....	.....	.....
25c	.09	.01	Silver Crest	76,500	.03½	.03½	.02½	.03½
20c	.04	.01½	Silversmith	1,000	.04	.04	.04	.04
50c	.04½	.01	Snowflake	39,000	.01½	.02½	.01½	.01½
25c	.06	.01½	Sonora	......	.02	.....	.....	.....
1	.61	.28	Standard Gold	1,200	.35	.30	.28	.30
10	5.60	3.00	Sunshine	200	5.40	5.50	5.40	5.40
1	.50	.20	Sunloch	......	.20	.....	.....	.....
No	.60	.30	Taylor Bridge	38,550	.54	.60	.51	.58
5	.40	.20	Toric	......	.20	.....	.....	.....
50c	.03½	.00½	Topley Richfield	......	.00½	.....	.....	.....
50c	.72	.08	Wayside	57,638	.44	.45½	.42	.42½
50c	.14	.04½	United Empire	29,000	.12	.14	.12	.13½
No	.16	.14½	Waterloo Gold	15,500	.15½	.15½	.14½	.15½
No	2.40	1.40	Vidette Gold	4,150	1.85	2.40	1.90	2.30
25c	.12	.01½	Waverly Tangier	796,000	.02½	.03½	.02½	.03
20c	.05	.01½	Wellington	13,000	.02½	.03½	.03	.03½
No	.39	.20	White Eagle	3,100	.35½	.39	.35	.39
1	.18	.03	Whitewater	42,100	.08	.09	.07½	.08½
1	.48	.40	Yankee Belle	......	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	7.47	Mercury Oils	4c.	.....
Bulolo Gold‡	60c.	.....	Merland Oils‡*	5c.	.....
Coast Brew.	92c.	.....	Model Oils	3c.	.....
Coniagas‡	12½c.	.....	Noranda†	$1	.....
Cons. Smelters	1.50	.....	Petrol Oil‡*	1c.	.....
Dome Mines	1.25	.....	Premier	12c.	11.21
Falconbridge*	25c.	.....	Pioneer, B.C.	60c.	5.02
Goldfield Cons†*	5c.	.....	Royalite	$1	.....
Hollinger	65c.+20c.	7.00	Siscoe	12+2c.	8.90
Howe Sound	$3	.....	Sterling Pacific Oil‡	2½c.	.....
Int. Coal & Coke‡	2c.	.....	Sunshine Min.	5+7c.	.....
Lake Shore	$2+$1	6.81	Sylvanite	10+2½c.	.....
McIntyre	1.62½	3.98	Teck-Hughes	60c.	9.83
			Wright-Har.	20c.+10c.	4.25

‡Interim. †Initial. *Paid in 1933.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

January 23, 1934

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	87.00	5.46
Alberta	5	1 July, 1943	1 July	94.00	5.83
Alberta	6	1 Mar., 1947	1 Mar.	98.50	6.16
*British Columbia	4½	1 Oct., 1953	1 Apr.	86.00	5.68
*British Columbia	5	15 Jan., 1948	15 July	92.00	5.85
British Columbia	6	15 Feb., 1947	15 Feb.	98.00	6.22
Manitoba	4	1 July, 1947	1 July	84.00	5.72
*Manitoba	5	2 Dec., 1959	2 June	91.00	5.67
Manitoba	6	1 Apr., 1947	1 Apr.	98.00	6.22
*New Brunswick	4	1 June, 1948	1 June	92.00	4.77
*New Brunswick	4¾	15 June, 1936	15 June	100.00	4.75
New Brunswick	5½	15 May, 1950	15 May	106.50	4.92
*Nova Scotia	4½	15 Nov., 1948	15 May	98.00	4.68
Nova Scotia	5	1 May, 1943	1 May	101.50	4.80
*Ontario	4½	1 Sept., 1944	1 Mar.	103.50	4.10
Ontario	5	15 Oct., 1948	15 Apr.	104.50	4.58
Ontario	5½	1 Feb., 1947	1 Feb.	108.00	4.67
P. E. I.	4	1 Apr., 1939	1 Apr.	97.00	4.65
P. E. I.	6	1 May, 1947	1 May	109.50	5.00
*Quebec	4¼	1 May, 1961	1 May	98.00	4.37
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	84.00	5.80
*Saskatchewan	5	1 Nov., 1959	1 May	88.00	5.91
Saskatchewan	6	15 Mar., 1952	15 Mar.	96.00	6.37
Cities					
*Montreal	5	1 Sept., 1968	1 Mar.	100.00	5.00
*Toronto	4½	1 Jan., 1955	1 July	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 July	85.25	6.00
Winnipeg	5	1 Mar., 1944	1 Mar.	92.30	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	88.50	6.81
Calgary	5	1 Jan., 1948	1 July	87.00	6.88
Halifax	6	1 July, 1951	1 July	111.50	5.00
Saint John	5	15 Dec., 1950	15 June	100.00	5.00
Regina	4½	1 July, 1950	1 July	77.50	6.75
Victoria	5	21 July, 1945	21 July	91.50	6.00
Quebec	5	1 June, 1948	1 June	100.00	5.00

*Payable in New York.

SULLIVAN MINES TO BUILD MILL

New Group Takes Charge of Property and Finances

Sullivan Consolidated Mines with holdings in Dubuisson township, Quebec, adjoining Siscoe Gold Mines, has made new financial arrangements and has resumed development of the property preparatory to production.

Harry Kee, M.E., well-known mining engineer of Toronto, has been appointed general manager of the company and is supervising the construction of a mill and a power plant. The mill will have an initial capacity of 50 to 60 tons daily and initial power will be supplied by further installation of two additional Diesel engines totalling 500 h.p.

The new board of directors comprises Alfred H. Paradis, pres., Montreal; Pierre Beauchemin, vice-pres., Amos, P.Q.; J. C. E. Trudeau, secretary-treasurer, Montreal; Alphonse Racine, Montreal; J. Romeo Gauvreau, director, Montreal; Thayer Lindsley, director, Toronto, and Joseph Errington, Toronto.

Until late September operations were under the direction of Ventures Ltd., who were financing the company. At the time of their withdrawal from work the shaft stood at a depth of 375 ft., where drifting had been done to establish the possible extension of the viens.

It is understood that, when a new financial deal with Ventures could not be agreed upon, it decided to withdraw resulting in the present group taking charge.

Spooner Oil Board Declared Null and Void

The board of seven directors of Spooner Oils elected at the company's annual meeting on October 28 last has been declared null and void in a judgment handed down by Mr. Justice Ives of the Supreme Court of Alberta. The directors affected are A. G. Spooner, pres. and managing director of the company; R. A. Brown, vice-pres.; C. E. Snyder, A. G. Graves, Dr. C. S. Mahood, D. R. Creighton and F. E. Spooner, all of Calgary.

The judgment is a result of action brought by Mrs. Louisa McKenna, a shareholder, who protested the validity of the election held last October, claiming that there was no notice to increase the number of directors from five to seven.

Mr. Justice Ives found that the resolution proposing an increase in the number of directors was carried by a show of hands and not by ballot. His Lordship's comment on the case in part is as follows:

"The company was undoubtedly constituted with five directors who were named provisionally. To change that number by decrease or increase, only one method is provided in Section 104 of the Act. In no other way may such alteration be lawfully effected. Admittedly this was not done and it must be held, I think that the resolution passed at the meeting of October 28 was, in the absence of all compliance with Section 104, ultra vires."

His Lordship allowed Mrs. McKenna her costs of the action.

B. C. Nickel Starts No. 2 Tunnel

From Our Own Correspondent

VICTORIA.—The main tunnel on the B. C. Nickel property, near Hope, B.C., is now in a distance of 105 feet, while a second tunnel has been started at another point and is in some 55 ft.

CONTINENTAL LIFE SHOWS INCREASES

New Business Issued is Close to 1932 Figure

Increased assets, income and policy reserves and a volume of new business issued during the year almost equivalent to the corresponding figure of 1932, are reported by Continental Life Insurance Co. in its annual report issued this week.

New business issued in 1933 was $5,642,000 while total business in force at the end of the year is 6 per cent lower than in 1932 at $35,185,000.

Total assets are shown at $7,858,985 a gain of nearly $130,000 for the year. The gain is due to an increase in the amount of bonds and debentures held by the company which more than offset a lower amount for mortgages. Policy loans are practically the same as a year ago.

The ledger assets are shown in the balance sheet at cost or book values but a deduction of $25,000 has been made to adjust these figures with those allowed by the Federal Insurance Department. The company states that its assets, policy reserves and surplus now stand at the highest point in its history. Free surplus is $4,000 higher than the corresponding figure of a year ago.

A special general meeting of the shareholders is being held subsequent to the annual meeting, to confirm among other matters, a by-law passed during the year appointing a chairman of the board of directors. S. Jones now holds that office.

Comparative figures follow:

	1933 $	1932 $
New ins. issued†	5,642,160	5,691,841
Bus. in force	35,184,825	37,432,865
Net income	1,619,668	1,587,891
Policy payments	1,001,038	913,381
Policy reserves	6,829,362	6,776,940
Total assets	7,858,986	7,722,928
Free surplus	377,322	374,031

†Including reinstatements.

At the Mines

Amity Copper & Gold Mines—The company has acquired the McEwan group of five claims in Boulamaque township, Quebec, and a crew is at work on this property.

* * *

Bralorne Gold Mines—Official word from the property states that the drift on the 875-ft. level has advanced for a distance of 83 ft. in ore running over $100 per ton in gold over a width of five ft.

* * *

Buffalo-Ankerite Gold Mines—The regular semi-annual dividend of five cents per share has been declared payable February 15 to shareholders of record February 1. This brings the total disbursement to 13 cents per share on the 542,170 shares outstanding.

* * *

Centrecour Gold Mines—This company was recently incorporated with a capitalization of 3,000,000 shares of no par value to take over the Boylan Syndicate holdings of 12 claims in Louvrecourt township, Quebec, east of the Vicour Gold Mines.

* * *

East Geduld Mines—The estimated working profit in December was £89,829 as compared with £92,729. This Rand producer is linked with Canada through Dome Mines holding a substantial share interest.

* * *

Great Bear Lake Mines — J. J. Byrne, president of the company, states the famous Lost Mine of the McLeod Bros., restaked last summer, has been acquired in the Nahanni River section of the Northwest Territories.

* * *

Gunnar Gold Mines—A power-mining plant has been shipped to the company's property in the Central Manitoba area and shaft sinking to an immediate objective of 500 ft. is to start immediately.

* * *

Lake Maron Gold Mines—The company has acquired a group of three claims north of its former holdings, adjoining the Little Long Lac Gold Mines, just east of the Nipigon Forest Reserve on the Canadian National Railway.

* * *

Macassa Mines—The milling rate has been stepped up to full plant capacity of 200 tons per day, according to Robert A. Bryce, president of the company. The company's new mill started into production the first week in November at a capacity of about 100 tons daily and since that time has been gradually stepped up. Millheads of around $12 per ton are being treated.

* * *

Manitoba Basin Mining Co.—Shareholders have been officially advised of an underwriting arrangement with English and American interests to provide $300,000 as options on treasury stock are taken up and the withdrawing of previous offerings on treasury stock to shareholders.

* * *

Noranda Mines—The company has optioned a property of Messrs. Groslouis & Valle, two miles north of Barraute in Northwestern Quebec, according to advice from Amos. The property was worked last summer under option by the Demara Mines Company which sunk a shaft 18 ft. on a vein running from two to five feet in width.

* * *

Parkhill Gold Mines—Milling of 50 tons daily of ore averaging $19 per ton in gold brings the company's production rate to about $28,000 monthly plus exchange compensation. Operating expenses are estimated by officials at $17,000 per month with an operating profit of $25,000.

Kirkland Con. Gold Mines Plans Listing "A" Shares

In a progress report the Kirkland Consolidated Gold Mines show the financial position of the company on October 31 as comprising current assets of $32,069 and current liabilities of $7,559. Monies expended for mining operations totalled $59,473. In an official report presented on December 4, Ralph Hurd, engineer in charge, showed the first main objective of shaft sinking to the 250-ft. level to have been reached. Further underground work will consist of crosscutting to the No. 1 vein on this level. Some 34 men are engaged at the company's property in Grenfell township, Kirkland Lake area.

The company has an authorized capitalization of 7,000,000 shares of which 3,749,993 have been class "A" preference of $1 par value and 3,250,007 as common $1 par value.

Plans call for listing the class "A" preference shares.

Index to Mining Stocks

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 110.0 for the week ending January 18, as compared with 109.3 for the previous week.

Nineteen gold stocks rose from 105.3 to 105.9, and four base metals stocks from 127.8 to 128.9.

Eldorado Ships First Concentrate

The first shipment of concentrates from the new 50-ton mill of Eldorado Gold Mines at Great Bear Lake has been received in Edmonton. This original shipment of 175 pounds was made by aeroplane and was immediately forwarded by express to the company's refinery at Port Hope, Ont. The new mill went into operation at the end of November.

HOWE SOUND EARNS 95c LAST QUARTER

Earnings in 1933 Equal $1.74 Per Share — Loss in 1932

An increase in the production of all metals recovered and a boost in operating profits to $450,158 are reported by Howe Sound Co. for the three months ended December 31, 1933. This is equivalent to 95 cents per share after taxes and depreciation, but before depletion, and compares with an operating profit of $256,976 in the previous quarter.

For the fiscal year ended December 31, 1933, the profit was $827,449, according to quarterly compilations, and was equivalent to $1.74 per share as compared with a loss in 1932.

The following tabulation gives production figures for the past two quarterly periods and the total for 1933:

	Fourth Quarter 1933 $	Year end Dec. 31 1933 $
Val. of metals sold	2,363,947	6,498,308
Operating costs	1,947,542	5,796,815
Operating profit	416,405	701,493
Add: Misc. inc.	118,450	412,885
Total income	534,855	1,114,378
Less: Deprec.	84,697	286,929
Net profit	450,158	827,449
Earn. per Share:	$0.95	$1.74
Metal Sales:		
Gold, oz.	4,288	13,971
Silver, oz.	1,173,765	3,787,702
Copper, lbs.	3,062,229	7,990,145
Lead, lbs.	34,308,395	110,258,882
Zinc, lbs.	17,415,597	50,779,383

Note:—Results of the fourth quarter include a profit of $68,903 on metals sold from the inventory of Dec. 31, 1932.

John D. Gilmour, B.Sc.A., B.Sc.F., (Toronto)
CONSULTING FOREST ENGINEER
MEMBER OF COUNCIL, WOODLANDS SECTION, C. P. & P. A.
MEMBER OF EXECUTIVE, PACIFIC LOGGING CONGRESS
Timberland valuations. Development of new properties. Logging cost estimates. Logging engineering problems. Recommendations to improve accessibility of timberlands.
Seventeen years in full charge of organization and management of pulpwood logging operations.
QUEBEC, QUE.

FAIRBANKS AUTOMATIC OIL BURNER
MADE ENTIRELY IN CANADA
THE CANADIAN FAIRBANKS-MORSE COMPANY LIMITED
Montreal, Toronto and Branches

TOOLE, PEET & CO. LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

NEW RUBBER BELTING
all sizes up to 24" and used Leather Belting at Special Sale prices. Rubber Hose for Steam, Water, Suction. Wood Split Pulleys. Ball Bearings, Hangers, Shafting and machinery of all kinds.
Write for Price List.
N. SMITH BELTING WORKS
138 York St., Toronto.

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

Investors' Chronicle
6d Established 1860 6d
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post-card application to:—
THE PUBLISHER, INVESTORS' CHRONICLE, 20, BISHOPSGATE, LONDON, E.C. 2, ENG.

A Concentrated Consumer Market of Great Scope

To secure steady patronage, hotels and restaurants must keep their food and service up to a high standard. Owners and managers realize that they must keep their premises thoroughly up to date through the use of strictly modern equipment and supplies. It is important that the equipment be constantly made in order to replace worn equipment and to replace consumed supplies.

Canadian Hotel Review and Restaurant reaches a market well worth cultivating as the readers of this paper are steady purchasers of foodstuffs, furniture, cooking utensils, cleaning materials, paints and varnishes, chinaware, cutlery, laundry equipment, radio sets, linens, towels, electric fans, refrigeration equipment, lighting equipment, floor coverings, electric signs and scores of other lines.

Such lines are bought in large quantities not only by the hotels and restaurants reached by Canadian Hotel Review and Restaurant, but by the 460 hospitals and 901 institutions which also look to this publication for information on where to buy equipment and supplies.

This field represents a concentrated consumer market of tremendous importance to those capable of supplying its requirements.

CANADIAN HOTEL REVIEW AND RESTAURANT
Canada's National Hotel and Restaurant Magazine and Institutional Buyers' Guide
481 UNIVERSITY AVENUE TORONTO, CANADA

The Week in Mining

Well Received

CANADA'S latest gold field made its bow on the listed market last week when the shares of the God's Lake Gold Mines were called for trading. How well they were received is told by the opening sales which ranged from 81 to 84 cents per share.

It was less than 18 months since that veteran prospector, Robert J. Jowsey, staked the nucleus of the company's property at God's Lake, Northern Manitoba, the pioneer discovery in the area. Since that time rapid progress has been made with the development and the frank and authentic information that has come from officials of the company without any suggestion of propaganda has inspired confidence in the undertaking from the first. In these days when literally thousands of promotional programmes are offered to the investing public, it is unique to find a company so quickly financed with such conservative sales policy. The company has an authorized capitalization of 3,000,000 shares of no par value of which 2,065,075 shares were outstanding as at the end of the year. The outstanding capitalization paid for all of the original property staked, several groups that were subsequently acquired, and 18 months of aggressive development work including the payment of equipment for a complete camp such as would do credit to very much larger operations and leave the company with a sound cash position sufficient for its programmes for many months to come.

The only public offering of treasury shares was through Cameron, Pointon & Merritt, Toronto, at 30 cents each.

* * *

Dr. Boydell Speaks

MINING engineers generally regard as sweeping and unjustified the statement made by Dr. H. C. Boydell in the Supreme Court of Ontario that it is a very general custom for mining engineers to become interested in properties on which they are reporting and giving professional services.

The statement came out in testimony by Dr. Boydell in connection with a property he had reported on and was at the same time interested in. The presiding judge admonished Dr. Boydell during this phase of the evidence as follows:

Presiding judge—It is unfortunate as a professional man you accepted an interest.

Dr. Boydell—Yes, my Lord, it is. With all due humility I admit I ought to have known better.

Presiding judge—If I were relying on an engineer's report to decide whether to make an investment or not, that report would not carry much weight if I knew the engineer who made it was interested in the subject matter on which he was reporting.

Dr. Boydell—It is a very general custom, my Lord.

Presiding judge—If it is I regret to hear it. In my opinion it is a very improper custom.

* * *

Market Is Active

THE manager of one of the largest international brokerage houses saw good omen in last week's heavy trading on the New York Stock Exchange when total sales for three days aggregated over 10,000,000 shares. This buying he attributed to professional and large buyers who invariably pave the way for big market advances. A 10,000,000 share turnover in three days is all that is required, he said, and you will see this market show a strength that has not been experienced in recent months.

He had only to offer in explanation of the improvement greater public confidence that better times are ahead, backed up by the statistical advances in almost all phases of industry.

BARRY HOLLINGER RESUMES MILLING AT 100 TONS DAILY

Development Places Four to Five Months Ore Ahead

After a shut-down of several months in order to concentrate on development work, Barry Hollinger Mines in the Boston Creek area of Ontario, resumed milling operations last week and has gradually stepped up the capacity to full milling rate of 100 tons daily.

During the period milling was suspended the main three-compartment winze from the 1,000-ft. level was deepened some 375 ft. to the present 2,250-ft horizon with three new levels opened up. Work on these new levels has provided sufficient ore, according to officials, for at least four to five months milling at present rate and new ore is being developed faster than current ore treated. The next step in the company's development programme will be the deepening of the shaft to the 2,500-ft horizon, where diamond drill holes will be fanned out to pick up other possible veins and explore at depth surface showings on adjoining properties.

Dr. E. Herbert Greene, president of the company, states that the financial position of the company was never better; it has no debts and sufficient cash to finance, in conjunction with production, its present programme.

The share position of the treasury is that 700,000 of the 4,000,000 shares authorized remain unissued.

New Topographical Map Issued of Sudbury Area

The Department of the Interior, Ottawa, has had prepared a new topographical map of the world famous Sudbury, Ontario, nickel producing area. This map was prepared from vertical air photographs and shows detailed information of the water areas, cleared land, buildings, roads, railways, telephone, telegraph and power transmission lines, and township sub-divisions together with elevations and fills a long felt want for a detailed topographical map of this area.

Copy may be had by application to the Topographical Surveys Branch, Department of the Interior, Ottawa.

Canadian Mining News

LAKE SHORE MINE RECOVERY VALUES AT HIGHEST LEVEL

Mill Tonnage Increases and Grade of Ore Stepped Down

OBJECTIVE 6,825 FT.

About 50 Per Cent of Present Ore Treated Coming from Above 2,000-ft. Level

With 212,126 tons milled in the last quarter of 1933, or an average of 2,300 tons daily, the Lake Shore Mines mill treated more ore than it has done since the last half of 1931. The average recovery was $11.66 per ton in the last quarter of 1933 and that is the lowest average grade of ore treated.

The following tabulation gives comparative quarterly production figures for 1933:

1933 Quarter ended	Tons milled	Milled, daily	Recov. per ton	Bullion recovered
Dec. 31	212,126	2,300	$11.66	$2,473,000
Sept. 30	208,950	2,271	12.50	2,601,731
June 30	201,720	2,200	12.40	2,502,132
Mar. 31	186,121	2,070	14.30	2,662,175

Record Production Value

Although the recovery per ton in the last quarter is the lowest reported to date by this famous producer, the value of its production in terms of gold at current prices, is at a new record level and is reflecting the company's policy of mining and treating lower grade ore or any encountered that will show a profit. This policy offers greatly increased mine life and is the prevailing policy of the leading gold producers, but clearly indicates that officials do not propose to exploit the mine and treat higher grade ore in order that a spectacular production and earnings record can be made.

Officials advise The Financial Post that approximately 50 per cent of the ore mined in immediately preceding months has come from above the 2,000-ft. level and much of this ore is from the old stope and is lower grade ore passed up in previous mining operations. The mine has been fully developed to the 2,950-ft. level.

Plan 6,825 Ft. Objective

Development work completed in recent months includes deepening the No. 1 shaft to 4,503 ft. with a new low level established at 4,450 ft. A crushing station was installed at the 3,825-ft. level and a loading pocket above the 4,075-ft. level from the No. 3 shaft.

A loading pocket has also been installed above the 4,450-ft. level from the No. 1 shaft.

As a continuation of the No. 3 shaft from the 4,325-ft. level, a new No. 4 winze is projected and has for its immediate objective a depth of 6,825 ft.—the deepest announced objective of any property in the camp. (Teck-Hughes is now sinking to an immediate depth objective of 6,730 ft.)

The drop in the tonnage treated during the earlier months of 1933 was not due to any ore situation, but rather to experiments being conducted in determining the highest mill efficiency possible. In any well-operated property there are various methods of increasing the output: one is to increase the tonnage with a possible decline in the mill efficiency, and high tailing loss; another is to increase the recovery by increasing the efficiency of the mill. The steady increase in Lake Shore's milling rate indicates that a better balance has been struck between efficiency and tonnage treated. Now that the mill efficiency has improved it may be expected that the tonnage will be gradually brought up to even higher levels, which with the present price of gold will establish the company on a higher earnings basis than at any time in its 15 years history as a producer.

The consideration given by the company in conjunction with the Wright-Hargreaves Mines to the treating of accumulated tailings from previous years production, has been decided in the negative, officials believing that it is more profitable to concentrate on the primary recovery rather than to divert attention to the uncertain profits existing in the tailings.

Harry Oakes, president of Lake Shore, has evidenced his intention of assuming less responsibility for the mine management and has vested this responsibilty in his new managing director, A. L. Bloomfield, whom he brought from Australia last summer and who with his family has permanently located in Kirkland Lake. With E. W. Todd, formerly geologist of the Ontario Department of Mines and later consulting geologist to Lake Shore, continuing in immediate charge of the property as mine superintendent, Mr. Oakes, founder, principal owner and president of Lake Shore, will be free to enjoy a vacation from strenuous duties.

McMillan Gold Financing Done Mill Next Move

Shareholders of McMillan Gold Mines are advised that the financing arranged last spring has been completed and that the company now has the funds in its treasury to complete its development programme and to build a 125-ton daily capacity mill, on which construction will start at once.

Negotiations are nearing completion with the Ontario Hydro-Electric Power Commission for the building of a power line from Espanola to serve the proposed new mill.

The rehabilitation of the company's property at West River, in the Sudbury Mining division, was started last May and since that time development has been extended from the 500 to the 625-ft. level and over $500,000 of ore indicated and developed. On the lowest level the No. 1 vein has been picked up, showing a greater width and value than the upper levels.

Mining Personages in Canada

—Caricature by Cecil.

DAVID SLOAN, B.Sc.
Managing director of Pioneer Gold Mines of B. C. Ltd.

Sloan is Man Who Made Pioneer a Rich Producer

British Columbia's Largest Gold Mine Arose Mainly from Ability, Faith and Sheer Hard Work of One Man

The adage that mines are made, not found, finds a perfect illustration in the case of Pioneer Mines of B.C., and its maker as a result ranks David Sloan as one of the big mining engineers of the Dominion. The tale of the discovery and development of the Pioneer property until it became one of the largest gold producers in British Columbia makes one of the epics of Canadian gold mining. It is a story-book mine only from the standpoint that the final chapter of its making gave millions to its backers, but that would not have been possible without the unremitting energy and unflagging faith of David Sloan who tackled the great job with only $8,000 capital.

Known as "Tod"

Young Sloan early became acquainted with rocks at Perth, Ontario, on the fringe of what was then Ontario's leading mineral belt. His early environment among the rocks of Eastern Ontario inspired him to continue their further study at Queen's University from which he graduated in 1905 with the degree of B.Sc. At Queen's he won the nickname of "Tod" Sloan, because the famous jockey of that name, who died only a few weeks ago, was then in his prime. There seems to be no evidence that he ever emulated the famous equestrian other than by prodding weary saddle ponies over the crooked, mountainous trails of the Pacific Coast in later years.

About this time the Cobalt silver camp was attracting world attention, but he took Horace Greeley's advice and went west and in 1906 he was in the Yukon.

Was Lone Eagle

Apparently of a quiet and retiring nature he was really playing the rôle of a lone eagle following out his own plans and ideas. His chief work turned on leasing and contracting of mining developments in many parts of the Pacific Coast. His rôle and appearance were more those of a prospector than a university man, and he used his school training only to bolster his natural inclinations. In 1910, when the Porcupine rush was on, he came back to view its possibilities, but again turned to his Rocky Mountain retreat where his big chance came when the stalwart supporters of the Pioneer property, Messrs. Spencer, Wallbridge, Bull and Boucher optioned him on a royalty basis in 1924 the prospect he has made into the Pioneer mine in the Bridge River area.

Discovered in 1897 the property had attracted spasmodic interest for thirty years before Sloan took hold of it. Much money had been spent but commercial success was thwarted at every turn. Interest in the property had gone sour and to raise additional capital presented difficulties, but the little group of stalwart supporters raised another $16,000 so that Sloan could exercise his genius. He only used half of this amount and from his probings recovered sufficient production to enable him to proceed. The veins in the upper levels were narrow and his drifts today testify to his narrow workings—mere rabbit burrows in the interests of economy. He worked the property until the formation of the present company in March, 1928, when an initial milling unit was started and commercial success attended his year's effort. The current annual rate of gold output is close to $2,500,000 annually.

Outstanding Figure

From 1924 to 1930 David Sloan was too buried in making a mine to attract much public attention. When an initial dividend came in 1931 the ears of investors pricked up and with them the stock which had sold at $1.23 per share early that year. Since then it has reached a peak price of $16.25, and the mine made by Sloan then made him one of the outstanding figures in Canadian mining industry.

While his heart is in the hills of the Bridge River, his home is now in Vancouver, and at odd times away from the mine he finds relaxation in golf at the Shaughnessy Heights Club or on the shores of Gunn Lake where he has a luxurious log cabin.

San Antonio Pays Dividend of 5 Cents

J. D. Perrin, president of San Antonio Gold Mines, has announced that the initial dividend decided upon recently will be five cents per share payable March 15, to shareholders of record March 1. This is the first dividend to be declared by a metal mine in the Province of Manitoba and will call for the disbursing of $111,565.

Olga Gas & Oil Co. Has Deal Pending

Plans are under way that may result in Olga Gas & Oil Co. acquiring potential gas acreage in Indiana, which will require an increase in the capitalization to finance the undertaking.

Negotiations are under way to purchase a 51 per cent interest in potential gas leases totalling some 110,000 acres in the Central Indiana field. Tentative offers call for the issue of 400,000 Olga treasury shares for this interest and the optioning of some 500,000 shares to New York interests to finance the development of this acreage. It is proposed to increase the present capitalization of 1,000,000 shares of no par value, of which some 870,000 shares are outstanding, to 2,000,000 no par value shares in order to carry out the present plans.

At the present time the company has four producing wells in Raleigh township, Kent county, Ont., from which it derives a net revenue of about $2,500 per month. Its gross income is some $3,250 per month, but field maintenance and incidental expenses, including royalties to the land owners and to the Union Gas Co., make monthly expenses of about $750.

It is claimed that this Indiana field possesses attractive possibilities and has recently been reported on favorably by well-known engineers. The market for the gas is said to rest principally with large industrial users and no attempt will be made at widespread distribution.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

		September, 1933	October, 1933	10 Months Ending October, 1932	1933
Asbestos	ton	18,564	19,524	96,772	117,644
Cement	brl.	424,710	348,639	4,221,088	2,726,018
Clay products	$	253,433	231,526	3,298,418	1,852,621
Coal	ton	1,137,801	1,569,013	9,281,726	9,235,353
Copper	lb.	30,554,881	29,740,400	207,638,886	245,786,290
Feldspar	ton	1,436	1,233	6,074	6,751
Gold	fine oz.	235,596	243,264	2,534,763	2,449,000
Gypsum	ton	35,618	30,059	391,321	293,193
Lead	lb.	22,967,273	23,248,822	208,997,116	218,862,928
Lime	ton	28,601	33,686	278,962	248,007
Natural gas	M. cu. ft.	1,153,714	1,655,910	18,699,697	18,070,426
Nickel	lb.	10,625,853	10,714,021	27,736,290	63,492,241
Petroleum	brl.	97,342	107,045	896,425	935,757
Salt (commercial)	ton	17,498	14,964	138,974	146,795
Silver	fine oz.	979,286	1,200,260	15,477,025	11,799,558
Zinc	lb.	18,309,672	20,304,759	145,009,625	152,570,583

Vancouver Island Gold Stirs Mining Activities To Record Breaking Scale

Earliest Canadian Gold Workings on Queen Charlotte Islands

FIRST DISCOVERY 1851

Many Old Properties Being Rehabilitated to Further Test Possibilities

From Our Own Correspondent

VICTORIA.—Gold mining activity among the islands off the coast of British Columbia, in spite of the fact that so little is heard about it, is greater today than it has ever been. From Vancouver Island itself in the south, to the Queen Charlottes, 600 miles farther north, individual prospectors, leasers, syndicates and large companies are developing a number of properties, and during the past year, employment has been given to hundreds of men.

Other Areas Detract

Much of this activity began to evidence itself during 1933, but so wide-spread and intensified has been the interest displayed by the entire continent in the sensational developments in the Cariboo and Bridge River districts, that this region has been almost forgotten by the investing public.

One of the latest developments is the financing of the Princess Royal Gold Mines on Princess Royal Island through Burgess & Petley of Montreal.

The reconditioning of the mine and mill is now under way. New machinery has also been ordered and the former run-runner "Colonet" has been purchased to transport supplies.

On the Queen Charlotte Islands a great revival of activity has taken place during the past year. The old Rupert property was taken over by the Haida Gold Mines of Vancouver and considerable work has been done during the past six months in tunnelling and crosscutting. Permanent camp buildings have been completed, enabling the crew to operate all winter.

Production at "Early Bird"

As the Haida is in a new district where the geology has not yet been thoroughly worked, a report was secured from an independent engineer. Some of the veins are reported to be fairly strong and extend for considerable distances on the surface.

Much of the work has been concentrated on the "C" vein the main tunnel being in a distance of 278 feet. Cross-cutting is now being done to intercept three other known veins. Installation of a mill on the property is being delayed pending further development work.

Several claims adjoining the Prince Rupert group, on which several mineralized ore bodies have been discovered, have been added to the company's holdings.

The Early Bird on Mitchell Inlet on the west coast of Moresby was acquired by the Gold Harbor Mining Co. during 1933 and a small mill installed for testing purposes. During the year two gold bricks containing a total of 40 ounces of gold were shipped, most of the ore coming from the old dump on the property. Much of the work here has consisted of sampling, assaying, mill tonnage, estimating, underground surveying and tabulation.

The Kitsault Eagle Mines, which owns the Skidegate-Sunrise group on Graham Island suspended operations last May pending new financing but it is understood that plans are now being made to do further exploration work on the veins below the 100-foot level by diamond drilling and to install a small mill.

Timmins Interested

On Porcher Island, the Surf Point property owned by N. A. Timmins, of Montreal, has been on small scale production since July of last year. Several important new lenses were discovered and a 25-ton mill installed. This went into operation in July and in September the first shipment of concentrates amounting to 106 tons left the property. The concentrates assayed 6.6 oz. of gold per ton and were valued at approximately $18,000. A further shipment of 80 tons of concentrate was shipped in October and at the present time, following the acquisition of the adjoining Jeannie property, a crew of 20 men is carrying on operations steadily under the management of R. E. Legg. Additional Diesel power is to be installed in a short time, it is reported, in order to speed up development.

Vancouver Island itself has seen considerably more mining development during 1933 than for some years and this development since the beginning of the present year is, if anything, becoming more intensified.

Placer mining is being carried on by individual prospectors on the Leech River and on Wolfe Creek, a tributary, while farther up the Island the old W. W. W. property, 12 miles up Franklin Creek from the Alberni Canal was operated for some months last year by a Vancouver syndicate.

The Vancouver Island Gold Mines has taken over four old crown-granted claims at the head of China Creek, 10 miles from Alberni, and are carrying on operations steadily.

Old Dunsmuir Claims Worked

This was formerly Alberni Consolidated property and was owned and operated by James Dunsmuir forty years ago. The old workings consist of a 50-ft. shaft and a tunnel 200 ft. long both on the main vein.

Feed to a three-stamp mill from the old workings, assayed $50 per ton. Present plans of the company include the installation of a compressor plant and the driving of a 400-ft. tunnel to tap the main vein at a depth of 250 ft.

The Leora group on the Kennedy River, one mile from the head of Kennedy Lake is being developed by W. W. Gibson, of San Francisco, who operated it 20 years ago. A shaft has been sunk and at the present time work consists of cross-cutting on the main vein, which is reported to be two feet wide and carrying shipping grade ore.

The Big Boy at the head of Herbert Arm is owned by a Vancouver syndicate and work is said to be progressing steadily. The tunnel driven on the ore shoot, which starts at tidewater, showed that the vein was pinching at a distance of 45 ft. from the adit and at the present time efforts are being made to pick it up at greater depth. About 30 tons of ore was shipped during last year returning about $35 a ton.

Waverley Tangier Optioned

The Mary McQuilton claims at the head of Herbert Arm are under option to the Waverley Tangier Mining Co., which is operating them. Two veins appear on the property both carrying high gold values. They contain iron sulphides with galena and zinc blende as well as some free gold.

Last fall principal work consisted of trail-building and erection of permanent camps so that underground work can be carried on all winter.

McIntyre Dividend At $2 Annual Rate

McIntyre-Porcupine Mines declared its regular 25-cent quarterly dividend, plus a bonus of 12½ cents per share and an extra dividend of 12½ cents per share, making the total distribution 50 cents per share, both payable March 1 to shareholders of record February 1.

This is equivalent to an annual dividend of $2 per share and compares with $1.87½ paid in the calendar year of 1933 and $1.25 per share in 1932.

An earnings statement last week showed the net earnings for the nine months ended December 31 as $3.40 per share or at the annual rate of approximately $4.50 per share—more than double dividend requirements.

Government engineers are of the opinion that it will be a very significant development for the west coast of Vancouver Island.

The Zeballos Mining Co., which owns the Tagore group about two and a half miles up the river from the head of Zeballos Arm and the Jack of Spades group, two miles farther up, is carrying on operations throughout the winter.

Considerable work was done during the summer in building a camp at the beach, making trails and building camps at the mine. On the Tagore group the main values are found in a small quartz vein containing iron sulphides, galena and zinc blende, with high gold values occurring in places.

A tunnel is now being driven from the river bank to intersect this vein, at which time it is intended to drift on it.

King Midas Developing

The King Midas Mining Co. is developing the old Marks property about seven miles up the Zeballos River from tidewater. Considerable development work was done last year and in the fall further contracts for underground work were let. At the present time the main tunnel being driven to pick up a series of parallel quartz veins has just encountered some small stringers of quartz and the main objective is expected to be reached shortly.

On Texada Island, the old Nutcracker mine is being operated by the Gem Gold Mines (formerly B. C. Gold Mines) and work is now being concentrated in dewatering the old shaft in preparation for more extensive development during the coming spring and summer.

On Thurlow Island, the Thurlow Gold Mines property has been taken over by the Federal Gold Mines of Vancouver, headed by C. P. Riel, as well as the Sonora Gold Mines on Sonora Island. Active operations on both of these properties are scheduled to start immediately.

Work is expected to be continued in the near future on the property of the Lasqueti Mining Co. on Lasqueti Island under option to the Pacific Gold Mines of Vancouver.

Meridian Mining Reports $214,913 Current Assets

The annual report of Meridian Mining Co., developing the Oyster-Criterion claims at Camborne, B.C., shows the company in a strong liquid position as at October 31, 1933, with current assets of $214,913 as compared with current liabilities of $1,869. Its holdings are principally bonds in current assets.

The balance sheet shows 3,852,945 shares of ten cents par value issued out of the 6,000,000 shares authorized.

The company owns 32 Crown-granted claims, free of all encumbrance and A. G. Langley, M.E., consulting engineer for the company, some months ago, reported that a small crew was making preparations for the installation of power. Development work has been centred on the Criterion claims where the old workings have been cleaned out, air lines conditioned and preparations made for an aggressive development programme. The proposed work includes the advance of the No. 7 tunnel along the Eva sheer zone for at least 450 ft. with the objective of exploring at a vertical depth of 630 ft.

W. B. Pool, president of the company, states that since development operations were begun early in 1933 a total of 3,000 ft. of lateral work had been done up to December 22, 1933. Also that last September owing to the difference of opinion on matters of policy and practice, Mr. Langley had resigned as consulting engineer of the company.

Coniaurum Mine Profit $47,608 Last Quarter

Striking a new record tonnage rate and a new low recovery rate per ton, Coniaurum Mines reported an operating profit of $47,608 for the three months ended December 31 last. The recovery per ton was shown at .1924 ounces, which, interpreted in gold at normal value, gives a production of about $148,000. The following tabulation gives comparative production figures for previous quarters of 1933:

1933 Quarter ended	Tons treated	Milled, daily	Recov. per ton	Bullion recovered
Dec. 31	36,935	401	$4.01	$148,000
Sept. 30	36,510	393	4.90	179,112
June 30	36,102	396	5.01	180,813
Mar. 31	36,110	400	5.20	187,758

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

Nova Scotia Gold
We invite enquiries about the Nova Scotia Gold Field
Some attractive properties are listed with us for sale or development. We buy and sell mining properties and authentic information is available through us.
Mutual Investments Limited
Roy Bldg., Halifax
NOVA SCOTIA, CANADA

N. C. URQUHART & CO.
STOCK BROKERS
Members Standard Stock and Mining Exchange
15 King Street West Toronto, Ont.
Adel. 6028

SODIUM INDUSTRY IN SASKATCHEWAN HAS ACTIVE YEAR

Plants Building and Expansion Made as Demand Increases

From Our Own Correspondent

REGINA—Improvement in smelter operations has given Saskatchewan's sodium sulphate industry a decided boost and 1933 statistics will show shipments of approximately 70,000 tons. Ten years ago the output was 733 tons. Commercial value of the 1933 output will approximate $650,000.

Natural Sodium Deposits, of Dunkirk has doubled its plant capacity and is operating day and night. Horseshoe Lake Mining Co., closed during all of 1932, has been operating at capacity since August. The Sodium Corp. of Alaska, which operated steadily throughout the year is erecting a new plant the ultimate capacity of which will be four times the capacity of the original plant. The Sodium Corp. at Fusilier has re-designed its plant and expects to operate shortly on a steady basis. Metallics and Non-Metallics, Ltd., of Toronto, is to erect a big plant at Engebright, north of Maple Creek. This deposit of 25,000,000 tons, estimated, is reputed to be the largest in the British Empire.

There is an extensive market in Canada for Saskatchewan's sulphate products comprising at present about 70,000 tons for smelters, 70,000 tons for pulp mills, 50,000 for textile mills and about 50,000 tons to glass, paint and varnish and other manufacturers, in which foreign shippers share.

The growth of this industry in Saskatchewan is shown in the following output figures: 1923, 733 tons; 1924, 1,083 tons; 1925, 3,876 tons; 1926, 6,775 tons; 1927, 5,659 tons; 1928, 6,015 tons; 1929, 5,018 tons; 1930, 31,571 tons; 1931, 44,147 tons; 1932, 35,000 tons; 1933, 70,000 tons.

There are more than 200 deposits in the province of varying degrees of purity.

(Additional mining news on page 19)

Nova Scotia Gold
Improved mining and milling equipment, combined with low cost electric power, make it economically possible to restore the Gold Mining Industry of this Province.
Large territory now open to the prospector. 63 districts contain gold-bearing lode deposits.
Several large low-grade ore bodies due to GOLD being worth around $32, as against the old price of $20.67 per ounce, can now be mined at a profit.
Nova Scotia's gold fields are very accessible. Material and labour costs are low.
A Branch of the Mines Department deals exclusively with Gold Mining.
Hon. Michael Dwyer
Minister of Public Works and Mines
HALIFAX, N.S.

Gold Stocks
Enquiries invited.
J.E. Grasett & Co.
MEMBERS
Standard Stock & Mining Exchange
302 Bay St. Wa. 1633 Toronto
Branch Office
Keele & Dundas Sts.
Junction 1167

REWARD
REWARD MINING COMPANY LIMITED, N.P.L.
Incorporated 1929
Head Office, 919 Stock Exchange Building, Vancouver, B.C.
POTENTIAL ASSETS
Cash payments accruing due on properties sold:

Vanalta Oils, Ltd.	$ 25,000.00
Holland Gold Mines Ltd.	44,000.00
Cariboo Consolidated Gold Mines (Newmont Corp.)	60,000.00
Gold Star Mines Ltd.	1,615.40
	$130,615.40
Shares held in Island Mountain Mines Ltd. (Newmont Corporation operation) 50,000 shares at par	50,000.00
	$180,615.40

Note: In addition to above, the company retained a ten per cent interest in the operations of the Vanalta Oils Ltd., on Reward ground in the Bridge River District. Reward owns outright two valuable properties in the Barkerville area on Island Mountain adjoining Newmont Mining Corporation, and at Stanley.
LIABILITIES
The company has no liabilities of any nature.
SHARE CAPITAL

Shares authorized	1,500,000
Issued	911,068
In Treasury	588,932

DEVELOPMENTS PLANNED
The Company has just purchased on royalty basis, the properties of the Gold Reef Mining Co. Ltd., adjoining the Nicola Mines & Metals property at Stump Lake, consisting of 22 claims.
The Nicola Mines and Metals property has been actively developed during the past season by the present management, with especially encouraging results. A 100-ton mill is installed and should be in operation early this spring. Nicola stock has been in constant demand and is steadily increasing in price owing to the great ore reserves being developed. The main vein, on which the above Company is now drifting on three levels, 1,600 feet from our boundary, strikes directly through our property and has been traced for over 6,000 feet on the surface, of which distance about 2,500 feet is on our ground. At least 6 veins have now been exposed striking in the same direction across our ground.
The Company has started active development of this property.
The Reward Mining Company during the past two years has systematically examined prospects and mining properties in many districts of the Province in the search for gold properties of real merit. In several instances it has been successful, as is evidenced by the properties taken up and reoptioned to operating Companies. In the property just acquired, however, it is felt that the Company has now a chance to develop a real property itself, in which the payments coming due from other companies may be used if necessary to finance the developments undertaken. All properties sold are owned outright by Reward.
C. P. RIEL,
Managing Director.

MINING FACTS
THE FINANCIAL POST SURVEY OF MINES 1933-4 is the only complete record of mining activity in Canada available in permanent form. It is a vivid compilation of facts relating not only to the industry in a broad sense, but to the various companies that together form that industry.
It is a reference volume for everyone interested in the great and growing mining industry, whether as an operator, mine executive, financier or investor.
216 Pages, 12" x 9". $2.00.
Only a Few Copies Left.
Although this edition of the Survey of Mines has been off the press less than three months, the sales have so far exceeded anticipations that only a few copies are now left. To avoid disappointment, SEND IN YOUR ORDER NOW, along with $2 in payment.
THE FINANCIAL POST,
481 University Ave., Toronto.
I enclose $2.00. Please send me postpaid a copy of The Financial Post Survey of Mines, 1933-4.
Name ....
Address 419